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COMMENT OF THE DAY

US-Japan Pact

THE amount of American assistance which Japan is to receive under the US-Japan military defence agreement looks impressive enough, yet the figures released yesterday after the pact had been signed by no means tell the full story. In effect, Japan is expected to receive this year up to \$800 million worth of arms aid, a considerable proportion of which has already been delivered but to which, hitherto, the Japanese have possessed no official title. Something like \$500,000,000 of equipment is awaiting transfer to the Japanese Government, this being in addition to the \$150 million worth referred to explicitly in the agreement which has just been signed, and apart also from the \$100 million worth of economic assistance designed to bolster Japan's economy. The dovetailing of military and economic aid and the manner in which it will be worked out in practice is of interest. Apparently it is intended that the United States will sell Japan \$50 million worth of American agricultural commodities for the equivalent in yen. The Japanese will be entitled to use 20 per cent of this yen, or the equivalent of \$10,000,000 to assist Japanese industry—presumably to rebuild war plants. The remaining \$40 million worth of yen will be available to the United States to buy armaments in Japan for other countries. The intention, it would appear, is for the US to buy some arms for Japan from Japanese factories and send the rest of its purchases of this nature to "other friendly nations in Asia."

THE general principle that Japan should be allowed to rearm herself to a point where she can offer defence against potential aggressors has now been accepted, though with a certain amount of reluctance, by the free world. Nevertheless the fear of full-scale military resurgence in Japan still persists in some countries, notably Australia. The danger conceived is that the United States, inclined to place too much emphasis on expediency, and in a desire to see Japan self-supporting economically and strong defensively, will in due course permit the Japanese to go beyond the bounds of what is considered to be reasonable in the rebuilding of their armed forces. The Japanese-American military aid agreement as it stands cannot raise serious objections. Its objectives are acceptable, and so long as its limitations are observed it will achieve something necessary without giving cause for alarm among the countries of the South Pacific. But under no circumstances can Japan be allowed once again to become a military power in her own right.

Yet Another Political Somersault In Egypt

NAGUIB GIVEN SUPREME AUTHORITY Becomes Premier Once Again

Cairo, Mar. 9.
General Mohammed Naguib, the man who dethroned King Farouk, was back in the saddle as Prime Minister of Egypt last night — with greater power than he ever had before.

This latest somersault among Egypt's top rulers was announced after a joint meeting of the civilian Cabinet and the military junta last night. General Naguib thus wins the supreme authority denied him by the Revolution Council — guiding body of army officers who sponsored the movement to get rid of Farouk — before he was ousted by Colonel Gamal Abdel Nasser 11 days ago.

His demand for this was one of the main causes of the dispute which led to last month's upheaval.

Nasser loses the Premiership he took over when General Naguib, only two days later, returned as President in the next move in Egypt's political merry-go-round. Nasser also goes out as chairman of the Revolution Council. The new chairman is — Naguib.

Only on Sunday 36-year-old Nasser was appointed Military Governor of Egypt with supreme control of internal security—a post previously held by General Naguib.

It was not immediately clear whether Nasser had retained this job. Martial law has been in force in Egypt since the "Black Saturday" Cairo riots of January 28, 1952.

Last night's meeting of civilian and military leaders—called to discuss the powers of the President and Prime Minister under the promised return to constitutional life—was held in the Parliament building.

At the meeting was Major Saleh Salem, Minister of National Guidance, who in the events of 11 days ago accused General Naguib of "sabotaging" the work of the Revolution Council and said: "We could have killed Naguib but decided to let him live."

SUPREME POWER

An official announcement said that General Naguib had been granted supreme power.

General Naguib's demand for supreme power was stated to have been one of the main reasons for the dispute in the Revolution Council which led to the ousting of Naguib by Colonel Abdel Nasser, who displaced Naguib as Premier.

Colonel Nasser becomes Deputy Premier, the post he held before the Government crisis began.

President Naguib announced that he will go ahead with the declared policy to hold early elections for a Constituent Assembly this summer.

The composition of the Revolutionary Council and Cabinet has returned to that before General Naguib's resignation on February 24.

Wing Commander Gamal Salem, who was Deputy Chief of the Revolution Council, is now only Minister of Communications, and Dr. Abdel Cidil el Emari, who was Deputy Prime Minister, has returned to the Ministry of Finance.

The return to the status quo ante was announced in a statement issued by the Revolution Command Council and a Cabinet Joint Congress under President Naguib last night.

The statement said: "The decisions announced by the Revolution Council Command on March 5 concerning the election to a Constituent Assembly and a return to political life will be adhered to. The curtain falls on the recent crisis."

The statement called on the people to "unite in the face of powerful enemies."—Reuter.

PUBLIC OPINION

Washington, Mar. 8.
Diplomatic authorities tonight said they believed that the sheer weight of public opinion had regained for Maj.-Gen. Mohammed Naguib the post of Premier and head of the Revolutionary Council in Egypt in addition to the Presidency which was handed back to him last week.

They said they thought that "Iron man" Gamal Abdel Nasser, who stripped Naguib of all his posts and then gave him back the Presidency, had recognised in the new action the fact that Egyptian citizens were determined that Naguib must lead them to a solution of their problems.

The assumption in American circles remained that the shufflings in Egyptian politics would have no real effect on that country's relations with the Western world.

Naguib or Nasser, the Americans were convinced they could get along with either and do business.

They recognised that both sides, eager to reach an end of the impasse with Britain over the Suez Zone, might be willing to make some further concessions.

Reports from the American Embassy in Cairo were that this matter was not at issue in the domestic politics being worked out by the Egyptians themselves.—United Press.

MORE ARRESTS

San Juan, Puerto Rico, Mar. 8.
At least three more leaders of the Nationalist Party were arrested today for questioning in connection with the shooting of five US Congressmen.

Mrs. Angelina Torresola De Placer was arrested at San Juan along with Domingo Solari Crespo. The latter was working at a local foundry. He was the last in the list of nationalists for whom warrants were issued. Amador Rivera Lozada was arrested while attending religious services at the Evangelical Mission in San Juan.—United Press.

Persuaded To Change Her Mind

Singapore, Mar. 9.
A Singapore Chinese schoolgirl, who had gone aboard a ship for Communist China, was yesterday persuaded by her weeping mother to change her mind—or hour before the boat left for Hongkong.

The girl, a former student of a local girls' school, was among a group of deck passengers on board the Tiliwah bound for Hongkong.

For more than an hour the mother and a police inspector of the Singapore Harbour Board pleaded with the girl to stay back with her family.

Finally the girl walked down the gangway—crying but happy.

The girl told the inspector that domestic troubles first made her think of going to China.—Reuter.

Trader Denied All Export Privileges

Washington, Mar. 8.
The Commerce Department announced today that New York exporter Ching-Sen Lee and four trading companies that he was associated with have been denied all export privileges for five years as penalty for violations of United States export controls.

The Commerce Department cited the American Industrial Products Company as the name of his "related export companies." The firm was incorporated individually in New York, Brussels, London and Hamburg.

The denial order, effective immediately, applies to Lee and the named firms, the announcement said, and also to all individuals or companies "who may be related to them by ownership, control or position of responsibility."

The announcement gave the following information on the reason for the suspension of Lee's export privileges.

UNDER INDICTMENT

"Lee has been under successive suspensions from export licence privileges since August 1951 under a previous denial order and pending final determination of administrative proceedings in the present case. He is also under indictment in the Federal court for the southern district of New York for violations of the export control law, and is a fugitive from justice in this proceeding."

"In the present denial order, the Bureau of Foreign Commerce charges that, in 1949, Lee falsely gave Hongkong as the ultimate destination on an export licence application for steel strapping when its destination was China, and effected a shipment of 100,000 pounds against the licence by making the same false representation on his export declaration."

"Lee also misused three export licences and made false statements as to the ultimate consignee and destination on export declarations to effect the shipment of 22,340 pounds of steel to China instead of Hongkong."

Sovereignty For E. Germany?

Berlin, Mar. 8.
Western officials here are seriously examining persistent unofficial reports from East Berlin that the Soviet Union will shortly give East Germany "sovereignty."

Those reports speak of a dramatic proclamation in East Berlin, possibly by a leading Soviet Cabinet member, at or about the time the East German Communist Party Congress opens on March 30.

Up till now there has been nothing concrete from official East German or Allied sources to give substance to this, or to a report that Mr. Nikita S. Khrushchev, First Secretary of the Soviet Communist Party, will come to Berlin for the Congress.

But Western officials do not discount the possibility of some startling move proclaiming East German "sovereignty" with an implied threat that should the West go ahead with the rearmament with West Germany, the Soviet Government would authorise the establishment of a real East German army and help to equip it.

The proposed new Communist Party statute to be adopted at the Congress says: "The Party will 'organise' the workers to defend their homeland."

One report said that with the proclamation of "sovereignty" the Soviet Union would renounce all rights to interference in East German foreign policy, especially towards the Western powers, and attempts to force the West into recognition of the East German Government and negotiations with it instead of the Soviet authorities.

INDICATIVE

The various Soviet proposals at the Berlin conference and the Soviet High Commissioner's rejection of the Western bid for High Commission talks on easing East-West traffic restrictions were indicative of this line.

The Anti-Communist Information Bureau in West Berlin reports that there are plans to dissolve the Soviet High Commission. This again would be in line with the Soviet policy. But Western officials believe it would not be official unless and until the Bonn conventions and the European Army Treaty come into force and the three Western High Commissions are turned into embassies.

The bureau said that, with the abolition of the Soviet High Commission, the Soviet forces in Germany would cease to be called "occupation" forces and be given a new status.

Western officials do not doubt that Soviet forces would remain in Germany, no matter what "sovereignty" was proclaimed.—Reuter.

Missing Boy's Body Found

Horwich, Lancashire, Mar. 8.
The body of 11-year-old Alan Anderson, missing for six days, was discovered in a flooded quarry, near his home here this afternoon.

It was discovered by Mr. Ian Fraser, who won the Victoria Cross, Britain's highest award for gallantry as a wartime "frogman."

Mr. Fraser, who had scoured the quarry previously, used a special underwater lamp today in addition to his normal "frogman" equipment.

Just before the discovery, Alan's parents, Mr and Mrs Fred Anderson, decided to accept a Water Diviner's offer to aid the search for the boy.

More than 30 mill ponds have been dredged since Alan disappeared last Tuesday.

World's Tallest Woman



Miss Katja van Dyk, 43, from Berlin, who at 8 ft. 4 ins. claims to be the tallest woman on earth, arrives at Northolt, England, and has her papers checked by Airport Official Bert Staines, who is only 5 ft. 3 ins. tall. Miss van Dyk weighs 32 stone. She is in England to appear in a show, and earns between £5,000 and £7,000 a year.—London Express.

Ordered Man's Ear To Be Cut Off, Allegation

Nairobi, Mar. 8.

A 16-year-old Somali soldier told a general court martial here today that he cut off the ear of a Mau Mau suspect and made a hole in the ear of another with a bayonet when ordered to do so by his Company Commander, 42-year-old Captain Gerald Griffiths.

Griffiths pleaded not guilty to two charges of causing grievous bodily harm to Africans and four of disgraceful conduct of a cruel kind, one of these being an alternative charge.

The prosecution said it would be difficult to imagine anything more disgraceful or more cruel than the alleged acts.

Private, All Segat, a slim, boyish figure, was rushed here to give evidence from the heart of the desert region of the northern frontier province, having been sent on leave before the case by mistake.

He declared in his evidence—through an interpreter—that he had disfigured the two Mau Mau suspects, Njeru and Kavenji, and also on Griffiths' orders, beat one of them with his rifle. The Somali witness said that before an anti-Mau Mau operation in Mount Kenya forest last June, Griffiths had ordered him to beat one of the two suspects and he did so.

"Then Captain Griffiths gave me a knife which was sharp on both sides—it was like the knives used in my country—and told me to castrate the other prisoner," Segat alleged.

This prisoner was then told by Griffiths to take his trousers off and when he refused to do so Griffiths and Segat's Platoon Commander, Second Lieutenant Innes-Walker, took them off.

Segat said he refused to castrate the prisoner and Griffiths told him to obey his order.

Segat said he again refused and Griffiths then accused him of being afraid.

Finally Griffiths ordered the witness to cut off the suspect's ear which Segat said he did.

The following day, Segat said, he was ordered by Griffiths to make a hole in the ear of Kavenji, the other suspect.

TOLD TO RUN
Over-embarrassed by Mr. Jack Giddill, defence lawyer, Segat claimed that a member of the army's special investigation branch had told him that, if he did not change his statement, he had made, he would be charged with murder and would be killed. Segat said "when his patrol went into the forest with Mr. Walker, who had been cut off, and I saw that Mr. Walker was the one who had been cut off, I was told to run."

W. Australia May Not See The Royal Visitors

Melbourne, Mar. 8.
Public health experts are studying the mounting polio epidemic in Western Australia where Queen Elizabeth and the Duke of Edinburgh are due at the end of this month.

Alterations have already been made to the Royal tour programme in the interests of the Queen's safety. There is increasing public discussion of the advisability of cancelling the Western Australian visit altogether.

The Royal couple are due to begin their tour of the state at Kalgoorlie on March 20. They sail from Fremantle for Ceylon in the Royal yacht Gothic on April 1.

The Mayor of Fremantle, Mr. W. F. Samson, and the Western Australian State Tour Director, Mr. R. F. Dean, were meeting today to discuss the latest incident of polio. The total number of cases notified in the state this year has risen to 145 including 50 this month.

The Queen and the Duke, both had anti-polio injections during their stay in Canberra last month.

Medical authorities in Melbourne said today the four organisers were justified in taking extreme measures to prevent the slightest chance of the Queen coming in contact with polio sufferers.

MAY BAN HANDSHAKES

A Perth report said the Public Health Department will closely screen people handling food for the Royal table and official sources said the Royal handshakes may also be banned in Western Australia. A children's rally at the country town of Bussellton has been called off.

After a restful weekend at Oshannassy chalet in the mountains, 60 miles from here, the Queen and the Duke returned to Melbourne today for their last official functions in Victoria—a state reception in the exhibition hall here tonight. They fly to Brisbane tomorrow to begin their tour of Queensland.

People began taking up positions around Brisbane airport today, 30 hours before the Royal couple were due to land.

Meanwhile police and security officers are investigating the slashing of Royal tour decorations and the defacing of the welcoming signs outside St Stephen's Roman Catholic Cathedral in Brisbane during the night.

Signs reading "Long live the Queen" were altered to read "Long live the Irish" and "Long live Eire."—Reuter.



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GUATEMALA SCEPTICAL

Caracas, Venezuela, Mar. 8.

The American Secretary of State, Mr. John Foster Dulles, today asked the tenth Inter-American Conference to approve united resistance against Communist penetration of any country in the Western Hemisphere. Today's session reflected a growing bitterness between Mr. Dulles and the Guatemalan Foreign Minister on the Communist issue.

During a debate on the United States resolution, Senor Guillermo Toriello, Guatemala's Foreign Minister, asked for a definition of "international Communism."

Mr. Dulles said it was disturbing if the foreign affairs of one of the American Republics were conducted by "one so innocent" that he had to ask "What is Communism?"

Mr. Dulles then gave his answer: "International Communism is that fast-lung, clandestine political organization which is operated by the leaders of the Communist Party of the Soviet Union."

"Since 1930 it has brought 15 once independent nations into a state of abject servitude. It has a hard core of agents in practically every country in the world... it constitutes not a theory, doctrine, but an aggressive, tough, political force, backed by great resources and serving the most ruthless empire of modern times."

Mr. Dulles said International Communism was seeking to bring the Western Hemisphere into subjection.

But he added: "I shall not accuse any government or individuals of being a victim or dupes of plotters."

International Communism was operating strongly in the Western Hemisphere to accomplish the political purposes of the Soviet Union, Mr. Dulles said.

He rejected the suggestion that international Communism

might serve a liberating purpose compatible with the principles of the American states.

The United States resolution was supported by delegates of the Dominican Republic, Paraguay, Brazil and Honduras.

COLONIAL PROBLEMS
 Debates on colonial problems at the Caracas conference may add to the perplexities of the United States Congress concerning legislation affecting the territory of Hawaii, the Commonwealth of Puerto Rico and the Philippines Republic, very much to a Washington report.

The Hawaiian people are waiting hopefully for Senate action on a bill which would make Hawaii the 49th State, the House having approved last year.

The violent aggression by Puerto Rican nationalists in the House of Representatives apparently will have, at a minimum, the effect in the Senate of inspiring greater questions regarding all territorial questions, though Hawaiian and Puerto Rican questions are not directly related.

The inclusion in the House of Representatives was admittedly timed to coincide with the opening of the 10th Inter-American Conference at Caracas, where the agenda provides for consideration of a report adopted by the American Committee on dependent territories at Havana in 1949.

This report includes a discussion of Puerto Rican status.

TROUBLED OUTLOOK
 The Philippines Republic comes into the troubled congressional outlook for the reason that the present session is expected to decide whether a scale of progressively graduated tariffs against imports from the Philippines shall start to take effect on July 1, or a more liberal long-term Philippines-American economic relationship should be enacted.

The executive branches of the United States and the Philippines Governments are at present studying the possibilities of a new agreement to supersede the existing trade agreement, but Congress would have to approve new terms.

The big question at the Caracas conference is whether the anti-colonial bloc will show enough strength to make this an issue of constant and intense agitation within the Western Hemisphere.

The Caracas discussions will have two phases: one relates to the so-called "occupied territories" in the Americas, involving Guatemalan and Mexican claims to British Honduras, and Argentina's claim to the Falkland Islands and some Antarctic territories. These claims are against Great Britain.

The other phase relates to the desire of some Republics that all of the British, French and Dutch colonies in the Caribbean and the Guianas would some day become independent, or if holding such qualifications, submitted to United Nations trusteeships.

The later phase is the only one that would stir vast international repercussions if serious action is taken at Caracas, Reuter & United Press.

Rats Got At The Beer Pipes

Melbourne, Mar. 8.
 The Royal Australian Air Force headquarters mess lost 28 gallons of beer as rats gnawed through plastic pipes from two 15-gallon barrels and the beer leaked out.
 The incident could not have happened at a worse time—a labour dispute at three of Melbourne's breweries had halted beer production. — China Mail Special.

"Japan Will Soon Be Great Power"

Singapore, Mar. 8.
 The Professor of Asiatic Politics, school of advanced international studies at the John Hopkins University, Washington, Dr. Paul M. A. Linebarger, today forecast Japan would again soon be one of the most effective great powers.

"She will not be a danger among the anti-Communist countries," he said in a newspaper interview here.

Commenting on a statement by South Korean General Choi Duk Shin that Japan "will very possibly fight on the Communist side in the next world war," Dr. Linebarger said "it impressed me as both naive and absurd."

"The defeat of Japan has had a profound effect on Japanese thinking and they desire the freedom and prosperity of their own people."

"Only a handful of Japanese radicals and capitalists are foolish enough to believe that they can make a deal with Communism."

TWO ANCHORS
 Dr. Linebarger, who recently spent a month in Japan during a Far Eastern tour, expressed the belief that the economic stability of Great Britain and Japan should be the two anchors of American foreign policy.

"I hope that the partnership between Britain and Japan can supplement the partnership already existing between the United States and Great Britain and the United States and Japan," he said.

He expressed the opinion that recognition of Communist China by the United States at the present time would be childish and premature.

"It is unrealistic to tackle any aspect of the Chinese problem without full and sincere prior consultation with Japan," he said.

MODEL AND BEST
 "Japan is the power chiefly concerned—not the United States or Great Britain," Dr. Linebarger, who described Japan as "the most modern power in this part of the world," said.

He said he believed the Chinese Nationalist government today to be a model one and "the best Chinese government I have ever seen."

He also known Generalissimo Chiang Kai Shek since 1930 and met him again only recently.

During his present tour, Dr. Linebarger and his wife, Dr. Genevieve C. Collins, who are carrying out a survey of the Far East on a Johns Hopkins research project, have visited Honolulu for a week, spent a month in Tokyo and five weeks in Taipei and have also been to North Borneo and Sarawak.

They leave Singapore this week for Calcutta and return to Singapore next month for a tour of the Federation of Malaya.—Reuter.

East Bengal Goes To Polls

Dacca, East Bengal, Mar. 8.
 Polling on the opening day of East Bengal's four-day election for a new provincial legislature was brisk.

In Dacca, chief city of the State, more than half the electorate cast their votes today.

While much rowdiness has characterized the election campaign, the first day's voting was reported singularly free of incidents.

The Muslim League Party is meeting its stiffest challenge since the birth of Pakistan six and a half years ago. Its predominant position is menaced by a "Joint Front" of Modern, Hindu and Communist groups not allied to the League, Hindu and Communist.

The Government candidates include the pro-Communist Communist Party (Communist Party) and the Awami Muslim Party.—Reuter.

What Would They Do?

Sydney, Mar. 8.
 Immigration officials said today they had not quite made up their minds what they would do if the former Sultan of Morocco stepped off in Australia for a visit—accompanied by his retinue of wives and concubines.

The ex-Sultan, deposed by the French last year for his nationalistic leanings, is en-route to exile in the South Pacific island of Tahiti. Recent reports said he might stop off in Sydney on the way there, but the French Consulate-General said today it had not heard of such a stop being planned.

With the former ruler are two of his legal wives and several favourite concubines who went into exile with him last year.

A leading Sydney hotel manager said today he had "no idea" what he would do if the Sultan and his retinue asked for rooms.

"We've never had concubines staying here before," he said. — United Press.

Netherlands First To Join EDC

Washington, Mar. 8.

The Netherlands today became the first of six Western European countries to complete all legislative and diplomatic steps necessary to join the European Defence Community.

In a brief ceremony at the State Department, Dr. J. H. Van Roijen, the Netherlands Ambassador, handed a diplomatic protocol to the Acting Secretary of State, Mr. Walter Bedell Smith, which formally linked the government as a member of the six-nation European army.

Mr. Smith said: "I am proud that your government has taken this action and I congratulate you."

"The Netherlands government can justifiably be proud of the initiative and leadership in what they have demonstrated," he added, "in working towards achievement of a European defence community." — Reuter.

Tunnel Under Channel Less Likely

London, Mar. 8.
 Development of air and sea ferry services have put back the possibility of a tunnel under the English Channel for at least 25 years, Mr. H. E. Neil, Continental Traffic Manager for British Railways, said tonight.

Travel between Britain and Continental Europe had increased substantially.

One reason for this was the contact between British and continental families during World War II, and another was the continued presence of British occupation forces in Western Europe.

"A marriage between a member of the British occupation forces and a German girl is generally speaking worth about half a dozen tickets a year to the Harwich-Hook of Holland passenger services," he said.

Mr. Neil thought that a substantial section of the travelling public would always prefer "terra firma" and ships to planes and that the helicopter was unlikely to become popular for short journeys because its incessant roar would make city life "unbearable." — China Mail Special.

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 From 11.30 a.m. to 3 p.m.

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IN ASIA FOA's Comment On Long-Range Economic Security

Washington, Mar. 8.

The Foreign Operations Administration in a report transmitted to Congress today by President Eisenhower, said the non-Communist nations of Asia must develop "a greater degree of regional co-operation" on an economic basis if they are to insure their long-range security.

Listing the military and economic aid the United States has given various nations in that area in recent years, the authority said, "The building of internal strength in each country, however, is only an intermediate step."

The report said that "thus far pressing domestic problems, general inexperience with economic planning and unstable inter-area economic relationships have combined to retard a co-ordinated regional effort."

A sharp decline in prices of raw materials produced in South-East Asia and the growing imbalance in Japan's trade picture were two items cited as evidence of the difficulties facing Asian nations.

The report, covering operations for the last six months of 1953, briefly reviewed the efforts of the United States to aid some of the principal non-Communist nations of the Far East:

INDO-CHINA: France and the Associated States, fighting for more than seven years against the Vietnamese, led by Communist Ho Chi-minh, receive "highest priority" in American military and financial aid to France for the Indo-China war during the fiscal year 1954, which ends next June 30, was set at \$785,000,000.

"The monthly rate of shipments in 1953 was 50 per cent higher than in 1952. By the end of 1953 almost 400 ships, leaving arms for Indo-China had arrived in Vietnam ports and had

delivered to the French and Associated States forces significant quantities of military supplies, including small-arms ammunition, transport vehicles and trailers; combat vehicles; military aircraft; naval vessels and small craft; radio sets and a wide range of other essential materials."

JETS DELIVERED

"The increased build-up of French Union and Associated States' forces, together with the financial aid and military equipment supplied by the United States, should permit an intensified effort in Indo-China without entailing any basic alterations of the French Government's military commitments to the North Atlantic Treaty Organization."

NATIONALIST CHINA: "During the latter half of 1953, particular emphasis was placed on the delivery of jet planes for the use of the Chinese air forces on Formosa," the report said. The United States, in addition to military end-item aid, "has provided defence - supporting economic assistance" to make the Chinese soldier a more efficient fighter.

The report disclosed that "the improved efficiency of the local munitions industry on Formosa had made it possible for the United States to place offshore procurement contracts for nearly \$6,000,000 of ammunition in Nationalist plants."

MODERNISING FORCES "Proceeds from these contracts are being used to finance additional supplies of raw materials needed for further production," the report said.

PHILIPPINES: The island Republic, assisted by United States funds, "has been enabled to maintain a balanced combat team in Korea and to strengthen further security forces in the home islands."

THAILAND: "Military grant assistance is also helping to modernise the armed forces of Thailand... Under the Mutual Security programme, the Thai Government is being aided in the modernisation and equipment of its ground forces and the strengthening of its small but efficient air force."

The report disclosed that through the end of December, 1953, Indo-China, Thailand, the Philippines and Nationalist China had deposited the equivalent of \$282,000,000 in their own currencies in special counterpart fund accounts to be used for purposes of strengthening their security upon mutual agreement with the United States.

About \$6,000,000 of these funds were used for administrative expenses of the United States.

"By the end of December, 1953, the authority had approved for withdrawal almost 80 per cent of the \$274,000,000 of counterpart funds available for country use," the report said, and "actual withdrawals from the accounts totalled the equivalent of \$210,000,000."

KOREAN AID Counterpart withdrawal a country by country were: Formosa, \$165,000,000; Associated States of Indo-China, \$29,000,000; the Philippines, \$12,000,000; and Thailand \$4,000,000.

In the section of its report dealing with "special aid to Korea," the authority said last July Congress approved the use of \$200,000,000 for "interim emergency aid" to the battle-torn southern part of the country. Rice, barley and cotton left American ports for Korea almost immediately.

"Through December 15, 1953, about \$60,000,000 had been allotted from the \$200,000,000 authorization," the authority reported. "Over \$400,000,000 has been programmed for the fiscal year ending July 31."

This includes programmes being administered by the United States, F.O.A., the American Department of Defense and the United Nations Korean Reconstruction Agency.

The Queen At Canberra



The Queen, a radiant figure in full-skirted pale-green tulle over matching silk taffeta, leaves Parliament House, Canberra, with the Prime Minister, Mr. R. G. Menzies, after a banquet there. Her Majesty's gown is decorated with the sash and star of the Order of the Garter, and a garland of tea roses on the right shoulder. The banquet was attended by 500 prominent Australians who rose to their feet three times to cheer the Queen in demonstration of their loyalty and affection. —Reuterphoto.

Segregation In US Forces Has Ended, Author Claims

New York, Mar. 8.

The United States armed forces have ended segregation in a "racial about face unparalleled by any similar development in history," according to a new book, "Break-through on the Colour Front," published by Random House, Inc., New York.

"A dozen years ago segregation of Negroes was the rule virtually in all branches of the services. Most military leaders expected—many wanted—it to stay that way for a long time to come," says the author, Lee Nichols, who is a reporter on the Washington staff of the United Press.

"Yet in 1953 segregation has been officially discarded, and integration of all servicemen of whatever race or nationality was the firm policy of every branch of the military service," Nichols said the end of segregation actually began during the last World War when Negro platoons were used among white platoons in Europe. The

plan, a daring experiment at the time, was sanctioned by General Dwight Eisenhower, then Supreme Commander. The United States Chief of Staff, General George C. Marshall, believed the practice of "integrating Negro elements into white units should be followed up," but he agreed to suppress a highly favourable report on the plan, Nichols said.

FEARED PUBLICATION In doing so Marshall was following a suggestion by General Breton B. Somervell, then commander of Army service forces, who feared publication of the report might cost support for universal military training because many Congressmen vigorously opposed such a plan.

Somervell also contended that Negro organisations might press for similar experiments with troops in this country and in the Pacific.

The practice of segregation began tapering off after World War II, Nichols said, and the first real integration of Negro soldiers with white soldiers occurred in Korea. It was recorded a great success.

Nichols found there was a bitter resistance. In General Douglas MacArthur's headquarters in Tokyo to ending segregation even after "accidental" integration of Negro and white troops had proven successful in combat.

The author credited Adlai Stevenson, President Roosevelt and Mr. Harry Truman former Air Secretary Stuart Symington, the late Defence Secretary James Forrestal and Gen. Anthony C. McAuliffe with leading roles in the drive to end military segregation. —United Press.

No Free Radio Or TV Time For McCarthy

New York, Mar. 8.

The two leading American radio networks, Columbia Broadcasting System and National Broadcasting Corporation today refused to give Senator Joseph McCarthy the free time he had requested to make his reply to Mr. Adlai Stevenson's Miami speech of Saturday.

The two companies said they had already consented to give free radio time to the Republican Party to answer Mr. Stevenson.

In his Miami Beach speech last Saturday, Mr. Stevenson, the 1952 Democratic presidential nominee, charged President Eisenhower had accepted McCarthyism as the Republican Party's "best formula for political success."

He also said "McCarthyism" was leading America into a "malignant and fatal totalitarianism."

Earlier today the Republican National Chairman Mr. L. W. Hall, as well as Senator McCarthy had demanded free time on the radio and television to answer Mr. Stevenson's charges.

Mr. Hall, in requests to the National Broadcasting Company and the Columbia Broadcasting System, said: "This is not a matter for personal rebuttal by any individual. We will designate our spokesmen who will speak for the party."

The Republican move comes after a weekend in which the Democratic "big gun" opened up a flank attack on their rivals, already divided among themselves over Mr. McCarthy's methods.

APPLAUSE

Today newspapers supporting Mr. Eisenhower's administration applauded Mr. Stevenson's speech.

The New York Times said Mr. Stevenson "spoke as something more than a partisan; he spoke as a conscientious American citizen."

"This speech will have to be answered by some Republican whom the people know and respect," it declared. "It compels an early and definite decision on the McCarthy issue — which will be awaited with interest."

The Independent Republican New York Herald Tribune said Mr. Stevenson was on firm ground in "taking on Senator McCarthy."

"SOMETHING MORE" "So long as McCarthy remains unchecked the Republican Party is in a difficult position," the paper said. President Eisenhower is under strong pressure from Liberal

Oxford's Most Modest Woman

Oxford, Mar. 8. Some male undergraduates at Oxford are to hold a competition to find the most modest woman undergraduate at the University.

The winner will be the girl who blushes first at the talk of a parcel of Oxford men. She will become the only woman member of the Dr Bowdler Dining Club now being formed in memory of the man, who ex-urged "bowdlerised" —the classics.—China Mail Special.

USA Bought Gold From The Vatican

Washington, Mar. 8.

The United States sold \$1,168,200,000 of its gold to foreign countries last year, the Treasury reported today. During the year, America bought gold from only one — \$4,000,000 worth from the Vatican City.

U.S. gold reserves at the end of the year were \$22,000,000,000, and sales to other countries in January and February of this year were "at a substantially reduced rate," the Treasury said. The reserve has been dropping since mid-1952, when it stood at \$23,350,000,000.

United States officials interpret these gold purchases by foreign governments as a sign of improved financial conditions abroad—enough improvement to permit their countries to spare dollars to build gold reserves.

America buys gold at \$35 an ounce.

The biggest purchase of U.S. gold last year was by Britain, which bought \$480,000,000 worth. The smallest was Syria, which bought \$500,000 worth last autumn. There were no purchases by Russia or any other Iron Curtain countries.

The biggest volume of gold buying was done at about this time last year. In the first three months of 1953, foreign governments bought almost \$800,000,000 worth of U.S. gold, including \$320,000,000 bought by Britain.

The U.S. gold reserve dropped by another \$128,000,000 in the second quarter of the year, \$308,000,000 in the third quarter and \$130,000,000 in the fourth.

In January, 1954, the U.S. supply was cut \$46,000,000 by foreign purchases, and in February, by \$9,700,000.—United Press.

Old Manuscript Found

London, Mar. 8. The Institute of Oriental Studies of the Uzbek Academy of Sciences has acquired a tenth century manuscript of a collection of tales known as Sindbad-Kitabe.

The manuscript is earlier than one belonging to the British Museum, according to Madame S. Azimzhanova, Director of the Institute.

Many scholars are engaged in the translation of Oriental texts from among the Institute's 80,000 rare manuscripts which deal with the history and culture of Uzbekistan, Tadzhikistan, Afghanistan, Persia and India, she added.—China Mail Special.

Scelba To Ask Deputies To Ratify EDC

Rome, Mar. 8.

Premier Mario Scelba intends to force an early showdown on two issues which his recent predecessors in office have avoided tackling, political sources said tonight.

Undaunted by the fact that he must still win a vote of confidence in the Chamber of Deputies to assure him the Premiership, Signor Scelba, according to the informants, has decided to stake the life of his government on two "unpopular" problems.

1. More equitable distribution of taxes.
2. Ratification of the European Defence Community Pact. In a country accustomed to considering tax evasion a legitimate right, Signor Scelba's intentions of pushing through his programme of social reforms by more effective taxation has caused widespread alarm.

Government sources said Signor Scelba had instructed his Budget and Finance Ministers to blueprint a system under which all income tax reports could be checked.

Signor Scelba is drafting a bill contemplating severe penalties, including jail terms, for tax evaders and for those responsible for false reports, the sources said. He intends to introduce the measure as soon as possible.

Early ratification of the EDC pact also is an essential to Signor Scelba, the sources said. He is reported to have pledged to seek Parliamentary approval of the pact in his talks two weeks ago with the United States Ambassador, Mrs. Clare Boothe Luce.

The Chamber of Deputies is due to hold a vote of confidence on Signor Scelba's government this week. He is expected to win.—United Press.

TORY WIN EXPECTED

Shoreham, Sussex, Mar. 8.

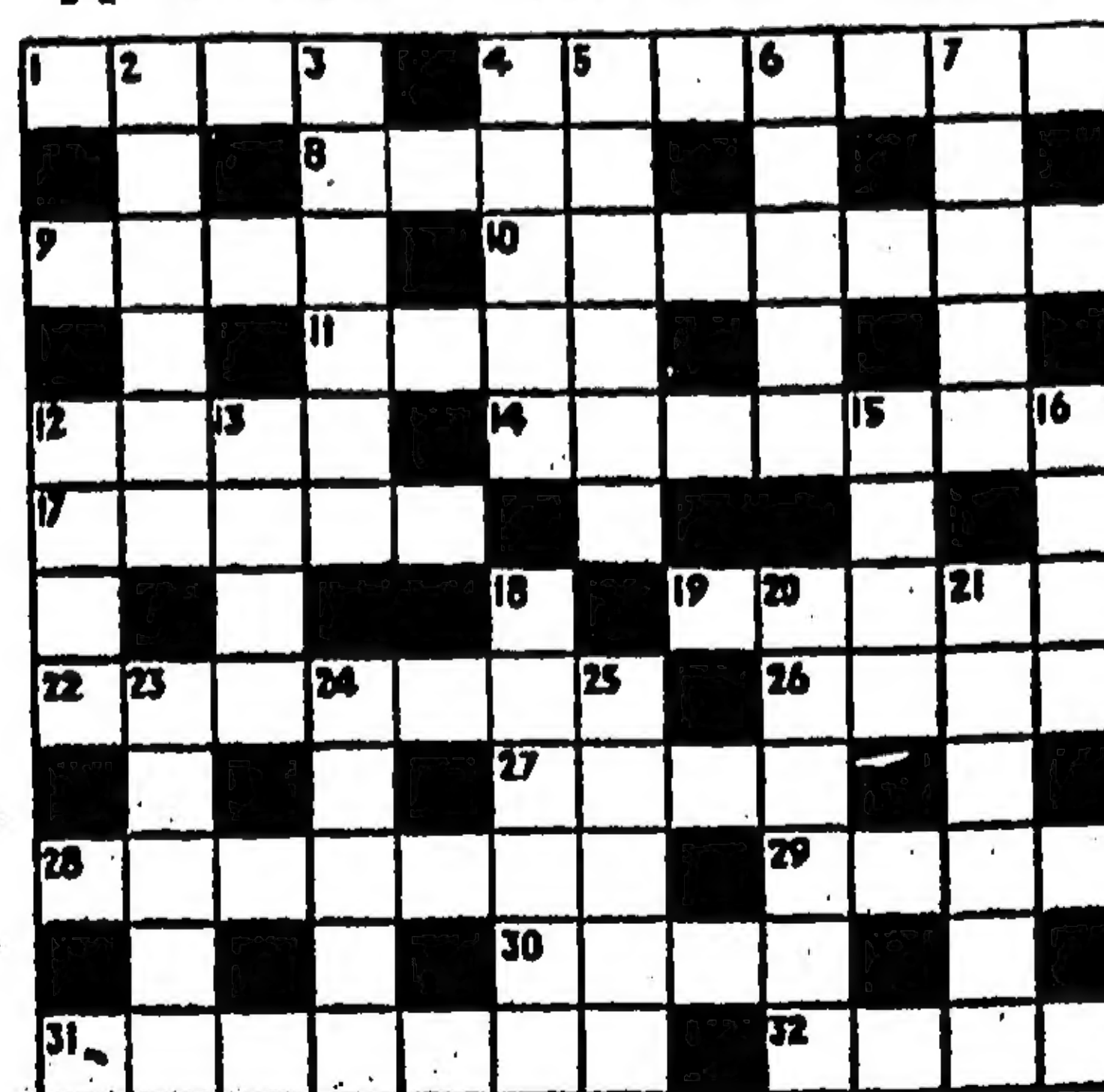
The Conservative Party is confident it will retain its Parliamentary seat in a bye-election to be held today in the Arundel and Shoreham Division on West Sussex.

The contest—one of four bye-elections outstanding—was caused by the retirement of Mr. William N. Cuthbert.

Conservative majority at the 1951 general election was 18,025.

The bye-election is a straight fight between Mr. Henry Britton Kerby, (Conservative) a journalist, and Mrs. Margaret Reid (Labour), a school teacher. The result is expected about noon tomorrow.—China Mail Special.

A British Crossword Puzzle



- ACROSS**
- 1 Rapid (4).
 - 2 Worshipped (6).
 - 3 Quantity of paper (4).
 - 4 Hurry (5).
 - 5 Threaten (6).
 - 6 Mournful tune (5).
 - 7 Extent (5).
 - 8 Secure (4).
 - 9 Stratagem (4).
 - 10 Part (4).
 - 11 Expensive (4).
 - 12 Thoroughfare (6).
 - 13 Closely occupied (6).
 - 14 Lasso (6).
 - 15 Fall from grace (5).
 - 16 Scene of action (5).
 - 17 Noblemen (5).
- DOWN**
- 1 Rapid (4).
 - 2 Worshipped (6).
 - 3 Quantity of paper (4).
 - 4 Hurry (5).
 - 5 Threaten (6).
 - 6 Mournful tune (5).
 - 7 Extent (5).
 - 8 Secure (4).
 - 9 Stratagem (4).
 - 10 Part (4).
 - 11 Expensive (4).
 - 12 Thoroughfare (6).
 - 13 Closely occupied (6).
 - 14 Lasso (6).
 - 15 Fall from grace (5).
 - 16 Scene of action (5).
 - 17 Noblemen (5).

YESTERDAY'S CROSSWORD. — Across: 1 Madcap, 5 Major, 8 Groom, 9 Toffee, 10 Nurse, 11 Devil, 12 Haat, 13 Tense, 16 Remote, 18 Trader, 20 Loos, 23 Pale, 25 Scant, 28 Symp, 29 Darned, 27 Sleak, 28 Latta, 29 Reside, 30 Material, 2 Deflect, 3 Area, 4 Predent, 5 Monte, 6 Amulet, 7 Quack, 14 Retrospect, 16 Rascals, 17 Meander, 19 Rascal, 21 Opera, 24 Take.

W. Germany's Veteran Communist Reported Sick

Bonn, Mar. 8.

West Germany's veteran Communist leader, Max Reimann, has relinquished effective leadership of the party because of ill health, an Interior Ministry source said today.

Herr Reimann, 55, was under treatment in East Berlin, the source said, quoting "trustworthy intelligence information."

A virtual change of leadership in the West German Communist party became evident today when the official party newspaper, *Freie Volks* published a 10,000-word speech to the party executive last week by Herr Friedrich Rische, Herr Reimann's Deputy.

The executive ordered its secretariat to work out by March 30 "the political and organisational directives for the election of the new party leadership." —Reuter.

"Next Time I'll Take A Suicide Pill"

Washington, Mar. 8.

Major General William F. Dean, a captive for three years in North Korea, said today he would carry a suicide pill if he ever went into front line combat again.

"He made the statement to a Marine court of inquiry investigating a 'false germ' war-tape fabrication by Marine Captain Frank H. Schwable during his 14 months as a war prisoner."

General Dean described how he was misled by a machinegun in an attempt to kill his Chinese Communist interrogator, and that he took his own life because he was afraid the Communists would torture him. Dean, 35,

torture the defence plans for Japan. General Dean said he accepted a Communist "demand" and wrote a letter to an American commander asking that United Nations forces only bomb military targets.

"I don't think anyone knows how much physical torture he can take until he has been through it," General Dean said. "I felt at the time that I would go into the front line and be killed."

General Dean, now deputy commanding general of the 4th Army with headquarters in San Francisco, was commanding the 24th Division in Korea at the time of his capture in the summer of 1950. He was repatriated in September, 1953.—United Press.

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SEAGULLS NEVER FORGET...

By CHAPMAN PINCHER

NEAR the sunny stretch of beach where you will soon be dropping your deck-chair the gulls which are so much part of the seaside scene are already gathering to nest.

This year you will be able to watch them with more knowledgeable eyes, for Dr Niko Tinbergen, a scientist who has spent 20 years studying herring gulls, has just published a revealing report about their intimate life.

The gull, in spite of its cock-sure appearance, turns out to be one of the stupidest birds.

It cannot recognise its own mottled eggs, and will sit contentedly on dummy wooden eggs painted bright blue or yellow. If given the chance it prefers to sit on a giant dummy egg so big that it can hardly keep its balance on it.

Dummy egg

DR TINBERGEN'S ingenious experiments have shown that a gull will attempt to hatch a dummy egg of almost any shape so long as the edges are not too sharp. It even tries hard to find a comfortable position on a square egg.

If a gull's eggs are taken from its nest and placed in full view, only a foot away, the bird will sit on the empty nest, making no effort to retrieve them.

When one of the eggs rolls out a few inches the bird will get it back, but with difficulty, by balancing it clumsily on its beak. If has not the wit to scoop it back with its webbed feet.

The herring gull's saving grace, by our standards, is that it is behaving by blind instinct, and its trick works only if the egg happens to fall on something hard by accident.

Gulls will just as often drop the egg uselessly into soft sand. Dr Tinbergen once watched one drop the same shellfish into shallow water 39 times without ever breaking it.

they are most faithful marriage mates. Gulls wed until death parts them. As so often happens in human life the female takes the initiative in proposing.

One of their habits, discovered by Tinbergen, would not appeal to most wives, however. The birds separate every autumn and spend the winter apart.

How they manage to come together again in the early spring is one of the mysteries not yet solved. Somehow they find each other at sea, and return together to the old neighbourhood to set up a family home again.

This means that the gull has exceptional memory for a bird. It recognises its mate again, probably by voice as well as by looks, after many months.

The father takes his turn at incubating the eggs, often pushing the female off the nest in his zeal. He may be cramped and hungry but will never leave the nest until his wife returns to relieve him.

If one of the eggs is broken the sitting parent calmly eats it, while lovingly brooding the remaining two.

Its trick

SHOULD you see a gull this summer fly up from the shore with a mussel, and break the hard shell by dropping it on the rocks, do not be misled into thinking the gull is being clever.

It is behaving by blind instinct, and its trick works only if the mussel happens to fall on something hard by accident.

Gulls will just as often drop the mussel uselessly into soft sand. Dr Tinbergen once watched one drop the same shellfish into shallow water 39 times without ever breaking it.

SPECIAL ANNOUNCEMENT TO HONGKONG MOTORISTS

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We wish to state categorically that I.C.A. (Ignition Control Additive) is fully patented and protected by Shell and cannot be imitated by any other company.

The following facts speak for themselves:

- 1) Shell have obtained patent coverage, not only on I.C.A. but on a complete range of related chemicals comprising all those as effective as I.C.A.
- 2) Shell alone have given the exact chemical nature of their new gasoline additive (I.C.A. incorporates Tricresyl Phosphate).
- 3) Shell have demonstrated before the press and public in Hong Kong the precise action of their additive on motor car engines. Further conclusive demonstrations will be arranged at Shell House for anyone interested.
- 4) Shell will gladly produce, for your inspection, facts and figures from their research work, which will prove beyond any doubt the exclusive effectiveness of Shell with I.C.A.
- 5) Only Shell with I.C.A. has been proved effective by over 72 million miles of road-tests before being put on the market. This was in addition to a very long series of laboratory tests on all types of engines. It has been proved, beyond doubt, that I.C.A. prevents pre-ignition and spark plug fouling, without producing any harmful side effects on your engine.

In conclusion, we ask you not to be misled by unsupported claims for unspecified additives; and to prove to yourself, by the Two-Tankful Test, that only Shell with I.C.A. gives your car smoother and more efficient running.

Issued by The Asiatic Petroleum Co., (S.C.) Ltd.

Concluding the ADVENTURE of the SEVEN CLOCKS

WHAT HAS HAPPENED SO FAR

● Celia Forsythe, the young companion of Lady Mayo, tells Sherlock Holmes about the strange behaviour of a Mr Charles Hendon whom they met in Switzerland. Mr Hendon (with whom she has fallen in love) appeared to hate clocks; he had smashed two and hidden five others. After receiving a mysterious letter Hendon suddenly left Switzerland but later turned up in England to stay at Lady Mayo's home in the country. Miss Forsythe consults Holmes again and with Dr Watson they go by train to the country.

At Groxton Station they are met by Lady Mayo in an open landau. As they drive to Lady Mayo's house, Holmes asks a question in which he refers to "the death that may overtake our young friend tonight."

THE hoof-beats rang on the icy road. "I think Mr Sherlock Holmes," said she quietly, "that you and I understand each other."

"I am sure of it, Lady Mayo. But you have not answered my question."

"Have no fear, Mr Holmes. He is safe now."

"You are certain?"

"I tell you he is quite safe. The park at Groxton Low Hall is patrolled. The house is guarded. They cannot attack him. I have an answer for everything!"

Whether my own outburst was caused by the smart clip of the immoderate rushing of the wind past our ears or the maddening nature of the problem itself, to this day I cannot say.

"Forgive the bluntness of an old campaigner," cried I, "who has no answer for anything. But at least take pity on the poor young lady beside you! Who is Mr Charles Hendon? Why does he smash clocks? For what reason should his life be in danger?"

"Tut, Watson," said Holmes, with a touch of tartness. "You yourself staggered me by enumerating the points in which Mr Charles Hendon, as you put it, is confoundingly un-English."

"Well? And why does that assist us?"

"Because the so-called 'Charles Hendon' is assuredly not English."

"Not English?" said Celia Forsythe, stretching out her hand. "But he speaks English perfectly!" The breath died

in her throat. "Too perfectly!" she whispered.

"This young man," I exclaimed, "is not, then, of exalted station?"

"On the contrary, my dear fellow. You are never far from the mark."

"He is of very exalted station indeed. Now name for me the one Imperial Court in Europe."

"Ay, Watson, Imperial Court—at which the speaking of English has all but superseded its own native language."

"I cannot think. I do not know."

"Then endeavour to remember what you do know. Shortly before Miss Forsythe first called upon us, I read aloud certain items from the daily press which at the time seemed tediously unimportant. One

THE NEW EXPLOITS OF SHERLOCK HOLMES

by ADRIAN CONAN DOYLE

and JOHN DICKSON CARR

Fire, Watson, fire! shouted Holmes

Item stated that the Nihilists, that dangerous band of anarchists who would crush Imperial Russia to nothingness, were suspected of plotting against the life of the Grand Duke Alexei at Odessa. The Grand Duke Alexei, you perceive. Now Lady Mayo's nickname for 'Mr Charles Hendon' was—

"Alex!" cried I.

"It might have been the merest coincidence," observed Holmes, shrugging his shoulders. "However, when we reflect upon recent history, we recall that in an earlier attempt on the life of the late Tsar of all the Russias—who was blown to pieces in '01, by the explosion of a dynamite bomb—the ticking of the bomb was drowned beneath the playing of a piano. Dynamite bombs, Watson, are of two kinds. One, iron-sheathed and fairly light, may be ignited on a short fuse and thrown. The other kind, also of iron, is exploded by means of a clockwork mechanism whose loud ticking alone betrays its presence."

Crack went the coachman's whip, and the hedgerows seemed to unroll as in a dream. Holmes and I sat with our backs to the driver vis-a-vis with the moon-whitened faces of Lady Mayo and Celia Forsythe.

"Holmes, all this is becoming as clear as crystal! That is why the young man cannot bear the sight of a clock!"

"No, Watson. Not the sound of a clock!"

"The sound?"

"Precisely. When I attempted to tell you as much, your native impatience cut me short at the first letter. On the two occasions when he destroyed a clock in public—bear in mind that in neither case could he actually see the clock. In one instance, as Miss Forsythe informed us, it was hidden inside a screen of greenery; in the other it was behind a curtain. Hearing only that significant ticking, he struck before he had time to take thought. His purpose, of course, was to smash the clock and draw the fangs of what he believed to be a bomb."

"But surely," I protested, "those blows of a stick might well have ignited and exploded a bomb?"

AGAIN Holmes shrugged his shoulders. "Had it been a real bomb, who can tell? Yet, against an iron casing, I think the matter doubtful."

Lady Mayo made a slight gesture of triumph. "No precaution has been neglected," said she, "even the roof is safeguarded. Alex's manservant, Trepley, after delivering the letter in London with commendable quickness, returned by an earlier train than yours, and borrowed a horse at the village. At this moment he is on the roof of the Hall, faithfully guarding his master."

"And then?"

Yet Sherlock Holmes remained uneasy. I noticed that he glanced round more than once at the lonely sweep of the grey rolling countryside.

"Well!" said he. "Having determined so much in my first interview with Miss Forsythe, it seemed clear that the forged letter was bait to draw the Grand Duke to Odessa, urging on him the pluck to face these implacable men. But, I have told you, he must have suspected. Therefore, he would go—where?"

"To England," said I. "May I not?"

"To Groxton Low Hall, with the added inducement of

an attractive young lady whom I urge to leave off weeping and dry her tears."

Holmes looked exasperated. "At least I could say," replied he, "that the balance of probability lay in that direction. Surely it was obvious from the beginning that one in the position of Lady Mayo would never have entered so casually into a half-way carriage conversation with a young man unless they had been, in Miss Forsythe's unwitting but illuminating phrase, 'old friends.'"

"Where your husband, I discovered, was First Secretary at the British Embassy. In Odessa I learned another fact of great interest."

"Eh? What was that?"

"The name of the Nihilists' chief agent, a daring, mad and fanatical spirit who has been very close to the Grand Duke for some time."

"Impossible!"

"Yet true."

"Attend to me, Mr Holmes. My own dear Alex has already written to the police, in the person of Sir Charles Warren, the Commissioner."

"Thank you, I have seen the letter. I have also seen the Imperial Russian Arms on the seal."

"Meanwhile," she continued, "I repeat that the park is patrolled, the house guarded—"

"Yet a fox may escape the hounds none the less."

"It is not only a question of guards! At this minute, Mr Holmes, poor Alex sits in an old thick-walled room, with its door double-locked on the inside. The windows are so closely barred that none could so much as stretch a hand inside. The chimney-piece is ancient and hooded, yet with so narrow an aperture that no man could climb down; and a fire burns there. How could an enemy attack him?"

"How?" muttered Holmes, biting his lip and tapping his fingers on his knee. "It is true he may be safe for one night, since—"

"No precaution has been neglected," said she, "even the roof is safeguarded. Alex's manservant, Trepley, after delivering the letter in London with commendable quickness, returned by an earlier train than yours, and borrowed a horse at the village. At this moment he is on the roof of the Hall, faithfully guarding his master."

"The effect of this speech was extraordinary. Sherlock Holmes leaped to his feet in the carriage, his cap rising in grotesque black silhouette as he clutched at the box-rail for balance."

"On the roof?" he echoed. "On the roof?"

Then he turned round, seizing the shoulder of the coachman. "Whip up the horses!" he shouted. "For God's sake whip up the horses! We have not a second to lose!"

"To England," said I. "May I not?"

"To Groxton Low Hall, with the added inducement of

a gallop and plunged away. In the confusion, as we were all thrown together, rose Lady Mayo's angry voice.

"Mr Holmes, have you taken leave of your senses?"

"You shall see whether I have, Miss Forsythe! Did you ever actually hear the Grand Duke address this man as Trepley?"

"I—no!" faltered Celia Forsythe, shocked to alertness. "As I informed you, Charles, heaven help me!—the Grand Duke called him 'Trep.' I assumed—"

"Exactly! You assumed. But his true name is Treppoff. From your first description I knew him to be a liar and a traitor!" The hedgerows flashed past; bit and harness jingled; we flew with the wind.

"You may recall," pursued Holmes, "the man's consummate hypocrisy when his master smashed the first clock? It was a heavy look of embarrassment and shame, was it not? He would have you think Mr Charles Hendon insane. How came you to know of the other five clocks, which were purely imaginary?"

"To hide a clock or a live bomb in a cupboard would really have been madness, if in fact the Grand Duke Alexei had ever done so."

"But, Holmes," I protested. "Since Treppoff is his personal servant—"

"Faster, coachman! Faster! Yes, Watson?"

"Surely Treppoff must have had a hundred opportunities to kill his master, by knife or poison, perhaps, without this spectacular addition of a bomb?"

"This spectacular addition, as you call it, is the revolutionaries' stock-in-trade. They will not act without it. Their victim must be blown up in one fiery crash of ruin else the world may not notice them or their power."

"But the letter to Sir Charles Warren?" cried Lady Mayo.

"Doubtless it was dropped down the nearest street-drain. Hal! I think that must be Groxton Low Hall just ahead."

The ensuing events of that night are somewhat confused in my mind. I recall a long, low-built Jacobean house, of mellow red brick with mullioned windows and a flat roof, which seemed to rush at us up a gravel drive. Carriage-rugs flew wide. Lady Mayo thoroughly roused, called sharp instructions to a group of nervous servants.

Then Holmes and I were hurrying after Miss Forsythe up a series of staircases, from a broad and carpeted oak stairway in the hall to a set of narrow steps which were little more than a ladder to the roof. At the foot of these, Holmes paused for a moment to lay his fingers on Miss Forsythe's arm.

"You will stay here," he said quietly.

THERE was a metallic click as he put his hand into his pocket and for the first time I knew that Holmes was armed too.

"Come, Watson," said he.

I followed him up the narrow steps while he softly lifted the trap-door to the roof.

"Not a sound, on your life!" he whispered. "Fire if you catch sight of him."

"But how are we to find him?"

The cold air again blew in our faces. We crept cautiously forward across the flat roof. All about us were chimneys, tall ghostly stacks and clusters of squat, smoke-blackened pots, surrounding a great leaden cupola shining like silver under the moon. At the far end, where the roof-tree of an old gable rose against the sky, a dark shape seemed to crouch above a single moon-washed chimney.

A sulphur-match flared blue, then burned with a clear yellow glow. We heard the hissing of an ignited fuse as something clattered down the chimney. Holmes ran forward, twisting and turning through the maze of stacks and periscope, towards that hunched figure now faintly glowing away.

"Fire, Watson! Fire!"

"Fire, Watson! Fire!"

"Fire, Watson! Fire!"

"Fire, Watson! Fire!"

"Fire, Watson! Fire!"

"Fire, Watson! Fire!"

"Fire, Watson! Fire!"

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"Fire, Watson! Fire!"

"Fire, Watson! Fire!"

"Fire, Watson! Fire!"

"Fire, Watson! Fire!"

"Fire, Watson! Fire!"



Our pistols rang out together...

Our pistols rang out together. I saw Treppoff's pale face jerk round towards us, and then in the same instant the whole chimney-stack rose straight up into the air in a solid pillar of white fire. The roof heaved beneath my feet, and I was dimly conscious of rolling over and over along the leads, while shards and splinters of broken brickwork whizzed overhead or clanged against the metal dome of the cupola.

Holmes rose unsteadily to his feet. "Are you hurt, Watson?" he gasped.

"Only a trifle winded," I replied. "But it was fortunate we were thrown on our faces. Otherwise—" I gestured towards the slashed and scarred stacks that rose about us.

We had advanced only a few yards through a mist of gritty dust when we came upon the man whom we were seeking.

"He must answer now to a greater Tribunal," said Holmes, looking down at the dreadful object sprawled on the leads. "Our shots made him hesitate for that fatal second, and he took the full blast of the bomb up the chimney." My friend turned away. "Come, Watson," he added, and his voice was littered with self-reproach. "We have been both too slow to save our client, and too late to avenge him through the machinery of human justice."

SUDDENLY his expression altered, and he clutched my arm.

"By Jove, Watson! A single chimney stack saved our lives!" he cried. "What was the word the woman used? Hooded! That was it, hooded! Quickly, there's not a moment to lose!"

We raced through the trap-door, and down the stairways to the main landing. At the far end, through a haze of acid smoke, we could discern the ruins of a splintered door. An instant later we had rushed into the bedroom of the Grand Duke. Holmes groaned aloud at the scene which met our eyes.

What was once a stately fireplace now yawned in a great jagged hole beneath the remains of a heavy stone hood. The fire from the grate had been blasted into the room, and the air was foul with the stench of the carpet smouldering under its powder of red-hot ashes. Holmes darted forward through the smoke, and a moment later I saw him stoop behind the wreckage of a piano.

"Quick, Watson!" he cried. "There is life in him yet! This is where I can do nothing and you can do everything."

But it was touch and go. For the remainder of the night the young duke hovered between life and death in the old wainscoted bedroom to which we had carried him. Yet, as the sun rose above the trees in the park, I noted with satisfaction that the coma induced by shock was already passing into a natural sleep.

"His wounds are superficial," I said. "But the shock alone could have proved fatal. Now that he is safely in his life, and I have no doubt that the presence of Miss Celia Forsythe will speed his recovery."

"Should you record the facts of this little case," remarked Holmes a few minutes later, as we strolled across the lawn, the green grass of the deer park, all glittering and sparkling in the fresh beauty of the dawn, "then you must have the honesty to lay the credit where it is due."

"But does not the credit lie with you?"

"No, Watson. That the outcome was successful is owing entirely to the fact that our ancestors understood the art of building. The strength of a fireplace-hood 200 years old saved that young man's head from being blown off his shoulders. It is fortunate for the Grand Duke Alexei of Russia, and for the reputation of Mr Sherlock Holmes of Baker Street, that in the days of the good King James the householder never failed to allow for the violent predilections of his neighbour."

world copyright reserved Another Sherlock Holmes Adventure Starts On Saturday

On Saturday

On Saturday

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BUTTERFIELD and SWIRE.

CHINA NAVIGATION CO., LTD.

SAILINGS TO		
"FUKIEN"	Guangzhou	8 a.m. 10th Mar.
"SIENKING"	Keelung	8 p.m. 10th Mar.*
*Sails from Cuddah Wharf		
ARRIVALS FROM		
"FOOCHOW"	Indonesian & Menado	13/14th Mar.
"SIENKING"	Keelung	7 a.m. 15th Mar.

A.O. LINE LTD./C.N. CO., LTD., JOINT SERVICE

SAILINGS TO		
"CHANGSHA"	Kobe, Yokohama, Nagoya, Yokohama & Kobe	5 p.m. 12th Mar.
ARRIVALS FROM		
"CHANGSHA"	Australia & Manila	In Port

BLUE FUNNEL LINE

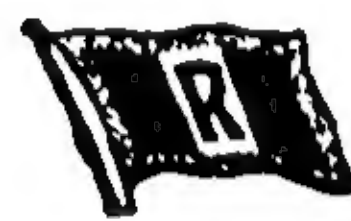
Scheduled sailings to Europe via Aden & Port Said

Sails		
"AUTOMEDON"	Liverpool & Glasgow	13th Mar. 14th Mar.
"ATREUS"	Liverpool & Dublin	23rd Mar. 24th Mar.
"BULLEROPHON"	London, London, Rotterdam, Amsterdam & Hamburg	24th Mar. 25th Mar.
"PATROCLUS"	Marseilles, Liverpool & Glasgow	5th Apr. 6th Apr.
"ALCINOUS"	Liverpool & Glasgow	13th Apr. 14th Apr.

Scheduled sailings from Europe

Sails		
"BELLEROPHON"	Liverpool	10th Mar. 10th Mar.
"PATROCLUS"	do	18th Mar. 18th Mar.
"ALCINOUS"	do	28th Mar. 28th Mar.
"CYCLOPS"	do	1st Apr. 1st Apr.
"PERSEUS"	7th Mar. 13th Mar.	13th Apr. 13th Apr.
"LAOMEDON"	18th Mar. 22nd Mar.	22nd Apr. 22nd Apr.
"ANCHISES"	24th Mar.	2nd May

Carriers' option to proceed via other ports to load and discharge cargo.



DE LA RAMA LINES

ARRIVING FROM U.S. ATLANTIC & PACIFIC COAST PORTS.

Sails N.Y.		
"TELEMACHUS"	do	13th Mar.
"DONA NATI"	do	2nd Apr.
"MANGALORE"	do	17th Apr.
"AJAX"	12th Mar. 2nd Apr.	2nd May
"TAJAN"	26th Mar. 17th Apr.	16th May

SAILINGS for NEW YORK, via SAN FRANCISCO, LOS ANGELES, CRISTOBAL and JAPAN

Sails		
"BATAAN"	19th Mar.	20th Mar.
"MUNCASTER CASTLE"	4th Apr.	5th Apr.
"TELEMACHUS"	19th Apr.	20th Apr.

Accepting cargo for Kingston and to Central & South American ports on through bills of lading.

Tathay Pacific Airways Ltd.

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HK/Singapore (DC-4)	9.00 a.m. Monday
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HK/Manila/B.N. Borneo (DC-3)	9.30 a.m. Tue. & Fri.
HK/Manila/Hongkong (DC-3)	10.00 a.m. Wednesday
HK/Bangkok/Singapore (DC-4)	7.00 a.m. Thursday
HK/Bangkok/Hongkong/Calcutta (DC-4)	12.00 noon Friday

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NOTICE TO CONSIGNEES

m/y "CHANGSHA"

Arrived 8th March, 1954.

Damaged cargo ex this vessel will be surveyed by Messrs. Goddard & Douglas at Hongkong & Kowloon Wharf Godown at 10.00 a.m. on Friday 12th March and Saturday, 13th March, 1954, and consignees representatives are requested to be present during survey.

BUTTERFIELD & SWIRE.

Agents.

Australia-Oriental Line Ltd.

China Navigation Co., Ltd.

I am not asking you to vote for me, but I do hope you will vote for the candidate of your choice.

But before you can vote you must register. Remember the Registration of special Voters closes at 5 p.m. today.

MIKE KENDALL

NOTICE TO CONSIGNEES

m.s. "MUNCASTER CASTLE"

Arrived 8th March, 1954.

Damaged cargo ex the above vessel arrived Hongkong by m.s. "Dona Alicia" will be surveyed by Messrs. Goddard & Douglas at Kowloon Wharf Godown at 10.00 a.m. on March 11, 1954, and consignees are requested to have their representatives present during the survey.

BUTTERFIELD & SWIRE.

Agents.

Hongkong, March 8, 1954.

Japan's Shipyards Still Need Orders

Tokyo, Mar. 8.

Japan will have to construct ships for export totalling 20,000 tons in the financial year 1954 instead of 150,000 tons as previously planned to keep shipyards employed, according to a statement by a spokesman of the Japan Shipbuilding Industry association.

Against a building capacity of 500,000 to 600,000 tons a year in Japan, orders for only 200,000 tons are expected to be placed under Government project in addition to about 100,000 tons of small size ships and ships for the National Safety Board, he said.

As a result of a Government subsidy for shipbuilding steel, and a reduction in bank interest rates for steel and shipbuilding loans, Japanese shipbuilding costs had declined and the international level as compared with about 10 per cent earlier, the spokesman said.

Meanwhile ship exports also expected to benefit from the fact that long term payment arrangement for such exports were now being authorized and from link trade with Cuban crude sugar, the spokesman said.

Exports for three to five large size tankers under link trade with Cuban sugar amounting to about 70,000 to 80,000 tons were anticipated, he said. This system was being introduced to compensate for below-cost ship prices with part of the profits derived from Cuban sugar imports.—China Mail Special.

PENINSULAR & ORIENTAL



STEAM NAVIGATION COMPANY

R.M.S. "CARTHAGE"

NOTICE TO PASSENGERS

SAILS:

Friday the 12th March, at 12.00 noon for the UNITED KINGDOM via Straits, Colombo, Bombay, Aden and Port Said.

BAGGAGE:

Passengers are requested to send ALL baggage to the Hongkong & Kowloon Wharf Co.'s Godown at No. 2 GATE, CANTON ROAD ENTRANCE, by NOON on Thursday 11th March, 1954.

SPECIAL NOTE:

With the exception of hand packages carried by passengers themselves, ALL BAGGAGE must pass through the Wharf Co.'s Godown for loading on board by ship's slings only.

BAGGAGE COOLIES WILL NOT BE PERMITTED TO ENTER THE WHARF.

EMBARKATION:

Passengers should embark between 9.30 and 11.00 a.m. on Friday, 12th March, 1954.

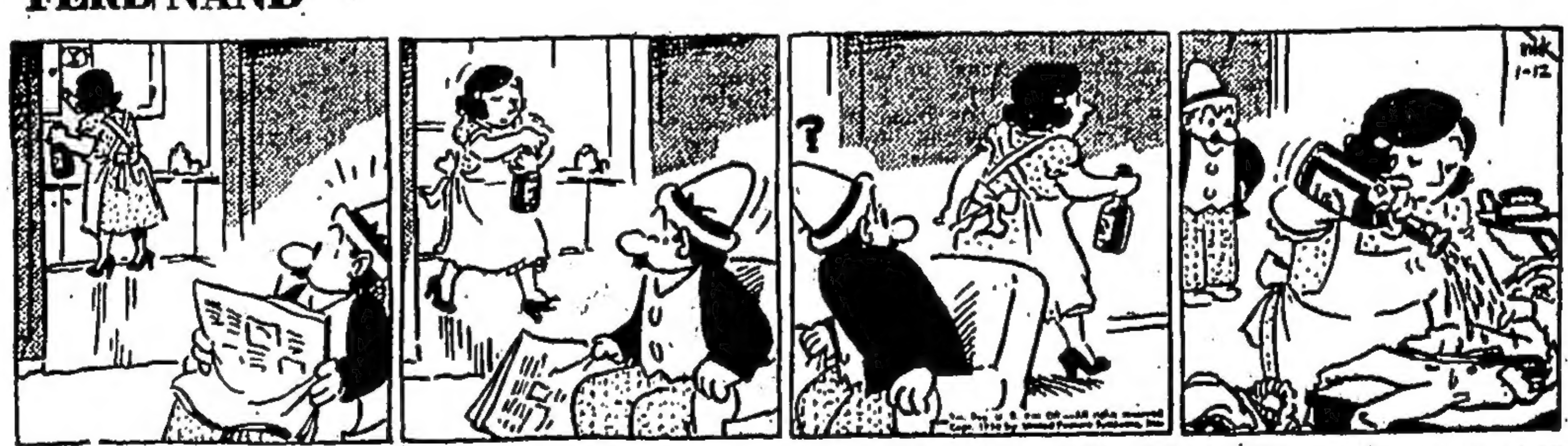
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By Lee Falk and Phil Davis



FERD'NAND

By Mik



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By Ernie Bushmiller



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By Frank Robbins



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"CORFU"	10th March	17th April
"CHUSAN"	10th March	17th April

Via Southampton, Port Said, Aden, Bombay, Colombo, Penang & Singapore

Homewards	Leaves Hongkong	Due London
"CARTHAGE"	12th March	18th April
"CORFU"	10th April	10th May
"CHUSAN"	2nd May	31st May

Accepting cargo for Singapore, Penang, Colombo, Bombay, Aden, Port Said & London

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Outwards	Arriving	From
"SOMALI"	21st March	U.K. via Straits
"SINGAPORE"	7th April	For Singapore, Penang, Colombo, Aden, Port Said, London, Antwerp, Rotterdam & Hamburg

With liberty to call at Belawan before or after Straits Ports and at Bombay if inducement offers.

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"SIEDHANA"	due 21st Mar.	for Singapore, Penang, Rangoon & Calcutta

P. & O. B. I. JOINT SERVICE

"OZARDA"	due 14th Mar.	for Singapore, Colombo, Karachi, Khorramshahr & Basrah direct. Other Ports via Bombay
"ORDIA"	due 16th Mar.	for Japan
"ORMARA"	due 17th Mar.	for Japan
"ORNA"	due 2nd Apr.	for Japan

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Princess Anne & Prince Charles (wearing his deerstalker hat) seen as they returned to Clarence House after a drive in the near-summer weather of a recent February morning.

World's Businessmen Flock To A Moscow Skyscraper

Moscow, Mar. 8.

The night plane from Helsinki, touching down at Moscow's Vnukovo airport three times a week, is becoming known as the "businessman's special."

Coming here at the invitation of the Russians, Western traders report that Russia seems willing and anxious to talk business. It is all part of the "New Look" from the Kremlin.

A year ago, the arrival of a Western businessman in Moscow was an event. Now, the silvery-blue Ilpashin airliners rarely fly in from Helsinki without a quota of businessmen.

Trade talks, the signing of a series of new commercial pacts and the promises of big business prospects for capitalist countries, fit into the pattern of 1954 Soviet policy against the background of unresolved world tensions. The Russians claim that business links will ease relations between nations.

Mr. Gennadi Malenkov's Government has taken several significant steps in the foreign trade field since the New Year. A burst of business activity was noted in Moscow simultaneously with the Big Four Foreign Ministers conference.

While the Soviet Foreign Minister Mr. V. M. Molotov, was assailing Western policy in Berlin, Mr. Malenkov's trade negotiators were busy in Moscow signing contracts with Western industrialists with the following results:

British industry was offered contracts for machinery, raw materials and consumer goods worth £400,000,000 sterling, with the prospects of orders spaced out until 1957.

France, which doubled trade with Russia between 1952 and 1953, was promised a "further expansion" of business.

Loan in Gold

Norway, Sweden and Belgium signed new trade pacts with the Soviet Union.

Finland was given a 40,000,000 rouble Soviet loan in gold, dollars and other foreign currency, and talks began on a new trade agreement between the two countries.

Argentina sent an economic delegation to Moscow to buy machinery and to discuss export possibilities. The delegation reported "highly favourable" prospects.

Egypt studied the chances of selling cotton and other products.

Wants Report On 'Wolf Boy'

New Delhi, Mar. 8.

Pandit G.B. Pant, the Chief Minister of Uttar Pradesh, the North Indian state in which Lucknow is situated, has asked the authorities of Balarampur Hospital to furnish the government with full particulars regarding the "wolf boy" Ramu.

A report from Lucknow says it is likely that the state police may be asked to attempt to trace the person who reportedly left the boy in a waiting room at Lucknow railway station.

Meanwhile, a man from Indore, 450 miles southwest of Lucknow, has lodged application with the City Magistrate, claiming custody of the boy who, he says, was stolen from his home about six years ago.

The claimant says the boy should be about eight years of age but doctors believe from X-ray examinations that Ramu is nearly 10.

Dr. P. Sharma, the hospital superintendent, refused to recognize the claim. China Mail Special.

duets to Russia in exchange for heavy equipment, and offered Moscow the chance to take part in Egyptian reconstruction plans.

Scores of businessmen have arrived in the Soviet capital for private discussions and the Soviet Foreign Trade Ministry, an ultra-modern white granite skyscraper in Smolensk Square, has been buzzing with a score of European languages.

The businessmen usually fly in to Moscow on the plane from Helsinki, the only West European city directly linked to Russia by a regular air service. Nearly every Monday, Wednesday and Friday, there is a welcoming party from the Foreign Trade Ministry to meet the plane as it taxis over the frosty runway.

Two Hotels

The two Moscow hotels catering for foreigners, the National and the Metropol, both built in Tsarist times and heavy with golden chandeliers and plush furnishings, have faced a serious accommodation problem. Visiting businessmen have been invited to "double up" and share rooms.

In the first two months of this year, Britain alone sent 90 businessmen to Moscow. In addition, came from France, Belgium, Italy and Greece.

Thirty-three of the British businessmen linked up in a private group. The treatment they received was unprecedented: champagne and vodka parties were given in their honour, the Soviet Trade Minister, Mr. Anastas Mikoyan, and one of the nation's "top nine," hurried over from the Kremlin to make their acquaintance.

When they left after two hectic weeks, the British businessmen carried home many orders and brief-cases bulging with Russian specifications which may turn into orders later. By mid-February, Anglo-Soviet trade concluded in Moscow this year ran into almost £18,000,000 sterling, with the prospect of contracts to be signed later for £250,000,000 sterling.

For many British businessmen, contracts signed for the delivery of heavy machinery and machine tools were based on the hope that the British Board of Trade would relax restrictions barring the export of strategic materials to the Communist countries. The businessmen believed there would be some relaxations.

Talked Eight Days

The Swedish economist and Executive Secretary of the United Nations Economic Commission for Europe, Dr. Gunnar Myrdal, talked for eight days in Moscow and returned to Geneva to report that the prospects for development of East-West trade seemed brighter than at any time since the "cold war".

United Nations economic experts believe the thaw in East-West trade began with consultations among nation-members of the Economic Commission for Europe a year ago.

Following these talks, France and the Soviet Union signed a

trade agreement, Russia became Denmark's second biggest customer for butter, and Bulgaria increased trade with the West by 60 per cent.

New trade consultations between the countries of East and West are due to start in Geneva on April 20, and Russia is expected to send a top-level delegation.

United Nations experts expect a gradual rise in East-West trade during the coming years, provided political developments do not interfere.

Stable Markets

Businessmen who have visited Moscow believe Russia is sincere in wanting to do business. A number of reasons are cited for this. Russia needs Western equipment for her expanding heavy industry, products for her much-advertised consumer goods drive, and appliances to aid the current Soviet campaign to raise agricultural output.

Mr. Malenkov's Government believes the United States is moving towards an economic slump. The Moscow Press has, therefore, seized the opportunity to point this moral to Western Europe, trade with the dollar world is threatened by crisis and contracting markets, while the planned economy of the East offers stable markets.

Clearly, the Kremlin would be happy to note fewer economic ties between Europe and the United States. Offers of trade on profitable terms are probably soon here among measures which ease the normalisation of relations between certain European nations and the Soviet Union.

This process also extends far beyond Europe. Twelve Asian countries including India, Indonesia, Ceylon, Japan and Malaya, have been invited to send missions to Moscow, this autumn.

The Soviet Government is prepared to pay for them "to acquaint themselves with the economic development of the Soviet Union."

Toss of A Coin

To buy from the West, Russia must sell. A series of recently-negotiated trade pacts shows the Soviet Government is prepared to export grain, manganese and chrome ores, cotton, timber, cellulose, anthracite, pig iron, asbestos, fur, tobacco, petroleum, cotton, wool and precious metals.

Russia also possesses gold resources, which it is apparently prepared to use to pay for the heavy equipment Soviet industry needs. According to reports, Russia has transferred an estimated £28,000,000 sterling worth of gold to its account in London.

As the businessmen come and go, they are unanimous with one verdict: the Russians are skilled business negotiators and tough at driving a bargain. They are usually well-informed about specifications and world prices. And, as in the West, they will compromise over price—if they must.

There is a new initiative also. The businessmen report a Russian negotiator, recently asked to lose a coin to decide whether the "Soviet" Union would pay £200 sterling more for tea for a British order, — China Mail Special.

RAISING STANDARDS OF LIVING IN RUSSIA Need To Reduce Targets For Capital Goods

Geneva, Mar. 8.

In its annual survey of Europe the Secretariat of the United Nations Economic Commission for Europe discusses the Soviet Government's policy of raising the standard of living. It says success will depend not only on the progress achieved in agriculture but also on the extent to which the Soviet Government is prepared to sacrifice part of the increase previously intended in capital goods and armaments. Imports are unlikely to make much difference.

According to the Survey, the main emphasis is on a faster increase in standards of living. The most valuable sign for the Soviet consumer is not so much a change of plans as the firmer attitude taken towards fulfilment of existing plans in the consumption sector.

There is reason to expect a significant rise in Soviet consumption over the next few years. Already the consumer has enjoyed the first fruits. Purchasing power in State and co-operative shops rose by about a sixth in 1953 as a result of larger than usual price cuts, a halving of the State loan, and tax and price concessions to farmers.

More Buoyancy Seen In US Economy

New York, Mar. 8.

The US economy showed more buoyancy and bullishness this week.

Retail sales appear to be improving. Stocks, bonds and commodity prices showed firmness generally. Inventories continued to be worked lower gradually. Car sales have been stepped up. Steelmakers anticipate a stronger market tone. And there has been no relaxation in the overall business confidence as spring approaches.

Best tonic for business sentiment stemmed from reports that new car sales jumped 12 per cent during January, along with the recall of over ten thousand car workers.

These are seen as highly favourable developments, even though motor stocks failed to respond with the same enthusiasm. Sales executives reportedly expect sales next month to be about double those of January — 355,000 units.

March output, according to Ward's Auto Reports, is expected to reach 541,000 in the U.S. The picture is brighter for used cars also. Ward's said, with dealer stocks continuing to dip below the November 30, 1953 record.

Many observers placed considerable stress on the role of the consumer in the general economic picture. So far, Americans do not appear to be suffering from any shortage of cash. According to the Commerce Department, personal income during January was at an annual rate of \$202.5 billion. That is \$2 billion below the December level, but more heartening in the comparison with January, 1953. This year the January pace was about \$2 billion higher than last year's — United Press.

LONDON METAL PRICES

London, Mar. 8.
Tins spot 700 710
3-months 690 700
Copper spot 231 232
3-months 224 225
Lead March 84 85
June 84 85
Zinc March 72 73
June 72 73
All prices in sterling per long ton.

NEW YORK FUTURES
New York, Mar. 8.
Lead March 12.20
April 12.30
Tin March 10.00
April 10.10
Zinc March 0.10
April 0.10
Copper March 0.14
April 0.14
Bids. All prices in US cents per lb. — United Press.

CHICAGO GRAIN PRICES

Chicago, Mar. 8.
Prices per bushel in Closing Prices.
Wheat No. 2, red 2.10 2.11
Mar. 2.10 2.11
Apr. 2.10 2.11
May 2.10 2.11
June 2.10 2.11
Corn No. 2, yellow 1.10 1.11
Mar. 1.10 1.11
Apr. 1.10 1.11
May 1.10 1.11
June 1.10 1.11
Soybeans No. 1, yellow 1.10 1.11
Mar. 1.10 1.11
Apr. 1.10 1.11
May 1.10 1.11
June 1.10 1.11
All prices in US cents per bushel. — United Press.

Jap Porcelain Popular

Frankfurt, Mar. 8.

Japanese porcelain is in popular demand at the Frankfurt international spring fair, exhibitors said tonight. Some complained they could not get enough import licences to meet customers' wants.

Twenty Japanese firms, mostly represented by West German agents, are showing a wide variety of hand-painted china, delicately carved ornaments, textiles, silks and novelties.

Most said they were pleased with business done so far but said it was too early yet to estimate the volume of orders they expected to take at the fair, which opened yesterday and continues until Thursday. — China Mail Special.

HONGKONG STOCK EXCHANGE

(From Our Correspondent)

Business on the Stock Exchange this morning amounted to 360,714. Noon quotations are as follows:

SHANGHAI STOCKS
GOVT. BONDS
2 1/2% (1948) 91 1/2 92 1/2 65000 @ 92

BANKS
HSBC 16 1/2 16 3/4 25 @ 16 3/4
HSBC (O) 16 1/2 16 3/4 25 @ 16 3/4
INSURANCE
Lombard 1 1/2 1 1/2 200 @ 1 1/2
K. Wah 1 1/2 1 1/2 200 @ 1 1/2
DOCKERS ETC.
K. Wah 20 21 200 @ 21
K. Wah (O) 20 21 200 @ 21
Provident (N) 13 10 200 @ 13
Wheelock 1 1/2 1 1/2 200 @ 1 1/2

There is even to be a small start with deliveries to the home, hitherto virtually unknown in the U.S.S.R. Some attention is being paid to imports of fruit, which until recently was not considered important enough to merit foreign exchange.

Prospects for durable consumer goods are better than for food and clothing. It should be possible, and indeed has for several years been possible, to achieve big proportionate increases in the output of pots and pans, refrigerators, radios and the like without impinging on food or on the extra resources originally pre-empted for the manufacture of capital goods.

As between 1950 and 1953, durable consumer goods may take only 1 1/2 million tons of the planned increase of 17 million tons in steel production. Outside the engineering field, the problem of expansion is more difficult. For the main staple of mass consumption, foodstuffs and clothing, there are no such possibilities of achieving rapid increases by shifts from one sector to the other in the allocation of resources, and the rate of progress is closely tied to the rate of improvement that can be achieved in agriculture.

The 1955 targets for clothing, footwear, meat, sugar, beer, potatoes and other vegetables are modest both in absolute amount and in comparison with the plans for 1942, drawn up before the last war.

Supplies of textiles and foodstuffs may be supplemented by imports (the USSR made substantial gains in the last months of 1953) and consumer goods have figured prominently in various Soviet trade agreements in recent months. But imports are scarcely likely to make an appreciable difference in average consumption levels.

Soviet agriculture still faces serious difficulties. Numerous measures have been announced which are aimed at improving supplies of livestock products, vegetables and fruit, all types of food in which the Soviet diet is seriously deficient and all foods to the production of which private enterprise in the form of the collective farmer, working on his private plot, still makes an appreciable contribution.

The potential for improvement in agriculture is great. But there is some reason to think that hopes may have been prematurely set on faster results than it would be reasonable to expect within the next two or three years — especially in the key sector of animal husbandry.

The present concentration of attention on livestock and vegetables suggests that there has been a definite shift of emphasis towards more intensive types of production needed to improve the content of the national diet. — Reuters.

New York Cotton Market

New York, Mar. 8.
Cotton trading today continued at the recent slow pace set last week and prices saw-sawed narrowly on a routine business. At the close prices ruled one to three points higher. New Orleans futures finished unchanged to four points higher.

There was some local demand for old crop deliveries on expectations that the loan programme would lighten up the market later on. Profit-taking continued to predominate the new crop months.

At the start of trading today, open contracts in nearby March had brought down to 77,000 bales. The contracted stock rose 120 bales to 98,220 bales.

Volumes and open interest in the exchange today were:
Month Volume Open Interest
March 9,100 62,500
April 1,100 50,000
May 1,100 40,000
June 1,100 30,000
July 1,100 20,000
August 1,100 10,000
September 1,100 5,000
October 1,100 5,000
November 1,100 5,000
December 1,100 5,000
Total 10,000 210,000 bales — United Press.

Further Increase In Unemployment Expected In America

Washington, Mar. 8.

United States Labour Secretary, Mr. James Mitchell, said today there will be "some increase" in unemployment during the fiscal year starting July 1.

Mr. Mitchell made the prediction in asking a Senate Appropriations Sub-Committee to approve his Department's request for \$340,635,000 in the fiscal year 1955.

He said his Department's budget estimates had been asked "on the assumption there will continue to be a high level economy."

"However, there will be some increase in unemployment," he added.

The latest Government figures show that some 3,068,000 persons were unemployed. Preliminary figures also showed that industrial production failed to pick up last month as it usually did in February.

Indications were that the Federal Reserve's unadjusted production index for last month would be about 124, the same as January's. The index usually increased by about two per cent in February, as against January.

CONFLICTED

After seasonal trends were taken into account, Government economists said the justly February index probably would be a point or so below January's 1955.

Mr. Mitchell did not elaborate how much of an increase was expected in unemployment. He said, however: "We figure that in the fiscal year 1955 there will be a higher level of unemployment than in the fiscal year 1954."

Mr. Mitchell's statement appeared to conflict with previous Administration predictions on the economic outlook. The general Administration position should pick up this month, pulling the economy out of the "readjustment" of the past several months.

Meanwhile, Dr. Neil H. Jacoby, a member of President Eisenhower's Council of Economic Advisers, said the nation could not be "talked" into a full-scale depression as some Republicans have charged.

RECORD LEVEL

A depression would hinge on "fundamental things" such as a collapse in consumer demand rather than gloomy discussion, he said in a television interview yesterday.

Partly offsetting the continued drain in factory output, construction work has been at a record high level so far this year. New construction set records for both January and February with a total of \$4,742,000,000. Last month, the annual rate after seasonal adjustments climbed to more than \$35,000,000,000, as against last year's total of \$34,800,000,000.

Another favourable economic indicator was a 12 per cent rise in car sales in February, as against January's. But last month's car sales still were eight per cent below those of February, 1953. — United Press.

New York Sugar Market

New York, Mar. 8.

World No. 4 sugar futures today closed one point higher to two points lower with sales of 71 contracts. Domestic No. 6 sugar futures closed three to five points higher with sales of 1,028 contracts. Future closings were:

Contract No. 4 (world)
Mar. 3.31
Apr. 3.32
May 3.33
June 3.34
July 3.35
Aug. 3.36
Sept. 3.37
Oct. 3.38
Nov. 3.39
Dec. 3.40
Jan. 3.41
Feb. 3.42
Mar. 3.43
Apr. 3.44
May 3.45
June 3.46
July 3.47
Aug. 3.48
Sept. 3.49
Oct. 3.50
Nov. 3.51
Dec. 3.52
Jan. 3.53
Feb. 3.54
Mar. 3.55
Apr. 3.56
May 3.57
June 3.58
July 3.59
Aug. 3.60
Sept. 3.61
Oct. 3.62
Nov. 3.63
Dec. 3.64
Jan. 3.65
Feb. 3.66
Mar. 3.67
Apr. 3.68
May 3.69
June 3.70
July 3.71
Aug. 3.72
Sept. 3.73
Oct. 3.74
Nov. 3.75
Dec. 3.76
Jan. 3.77
Feb. 3.78
Mar. 3.79
Apr. 3.80
May 3.81
June 3.82
July 3.83
Aug. 3.84
Sept. 3.85
Oct. 3.86
Nov. 3.87
Dec. 3.88
Jan. 3.89
Feb. 3.90
Mar. 3.91
Apr. 3.92
May 3.93
June 3.94
July 3.95
Aug. 3.96
Sept. 3.97
Oct. 3.98
Nov. 3.99
Dec. 4.00
Jan. 4.01
Feb. 4.02
Mar. 4.03
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Nov. 4.35
Dec. 4.36
Jan. 4.37
Feb. 4.38
Mar. 4.39
Apr. 4.40
May 4.41
June 4.42
July 4.43
Aug. 4.44
Sept. 4.45
Oct. 4.46
Nov. 4.47
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Feb. 7.26

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TUESDAY, MARCH 9, 1954.

Urban Council Elections

By noon today, 25 per cent of those entitled to register to vote at the Urban Council elections on March 24 had done so. The total number of registrations then stood at 2,500, an increase of 400 on the overnight figure. No further personal registrations will be accepted at the Registration Office in the Supreme Court building after 5 p.m. today.

Man's Ear Cut Off

(Continued from Page 1)

"One of the Lance-Corporals fired and the prisoner fell down," Segat went on.

Innes-Walker told me to shoot the man which I did. The Lance-Corporal fired once and I fired several bullets. The prisoner was killed."

Segat said another British subaltern—Lieutenant Howard, now said to be in England—was also present during the shooting, but it was Innes-Walker who had given orders to shoot the suspect.

Corporal Harun Kipura, a member of B Company, 5th Battalion, King's African Rifles, formerly commanded by Griffiths, said he saw a Mau Mau suspect in the company camp putting on his trousers.

He noticed there was much blood on the man's ear.

Late in the forest he saw a prisoner was ordered by Innes-Walker to kill him and then the troops were ordered to fire.

Major William Day, second in command of the battalion, said when he visited Griffiths' headquarters during the operation he was told by Griffiths that a Mau Mau suspect had attempted to run away and had been shot.

"He also mentioned something—I must be honest and say I am very vague about this about ears," Major Day stated.

He told Griffiths the matter must be reported.

HIS OPINION

Asked by defence counsel, Mr. Griffiths, what his opinion was of Griffiths, Major Day replied "my opinion of him at that time was that he was an extremely good operational company commander. His one object— it was almost a joke—was to try to pursue by every means, in his power, the method of finishing this emergency as quickly as possible."

Lieutenant-Colonel Leopold Evans, Griffiths' Commanding Officer, denied that Griffiths had told him a prisoner's ear had been cut off.

He agreed he told Griffiths "for God's sake don't lose them (the prisoners) whatever you do."

About 20 or more men of Griffiths' company were later arrested for alleged acts committed during the operation, he said.

Mr. Hobson, the prosecutor, warned the court that Private Segat was "an accomplice in the facts alleged" and that it would be dangerous to convict on the evidence of an accomplice.

But he would submit other evidence in corroboration. He also warned the court that Second Lieutenant Innes-Walker was a witness whose evidence should be treated with care.

He was a young officer who had already been severely reprimanded by the Commander-in-Chief, General Sir George Erskine for committing perjury. The court adjourned.—China Mail Special.

Chopped Phone Cable

Remarking that if the defendant had broken the telephone cable in the Mount Davis Area he would have caused a lot of destruction, Mr. Lawrence Leong at Central this morning sentenced 27-year-old Chan Hing to three months' hard labour for attempted larceny and malicious damage to property exceeding \$25.

On Sunday the defendant was caught chopping some telephone cable of the Hongkong Telephone Company in Mount Davis Road with a sharp stone.

When he was discovered the defendant had only half-cut the cable, causing \$60 worth of damage.

New Ferry Piers Within Next 2½ Years

The new piers to be used by the Star ferries will come into operation within the next two and a half years, it was disclosed at the annual general meeting of the Star Ferry Co., Ltd., held this morning in the Board Room of Jardine, Matheson & Co.

The piers will be constructed in two stages and work will be simultaneously carried out on both sides of the harbour.

Reconstruction of the ferry fleet is also planned, with one new vessel, similar to the Electric Star, already on order.

The statement by the Chairman, Mr. Robert Gordon, circulated beforehand to shareholders, and presented at today's meeting read:

"During the year 1953, despite the depression in business in the Colony, our traffic was maintained at a high level, carrying over 36 million passengers in a total of 130,804 crossings. Our business performance was, in fact, during the year, a record. In June during the Coronation celebrations and on the first day we transported 150,000 passengers in all time record for the service, and during the remainder of Coronation week the passenger load exceeded 130,000 persons daily, the normal load being just under 100,000. These are impressive figures and I wish to pay tribute to the entire staff, ashore and afloat, for the excellent work done by them, not only during this particular period, but throughout the year. In no less degree I would like to thank the travelling public who have shown appreciation of the efforts of our staff by co-operating courteously, especially during rush hours when queuing, always irksome, is unavoidable. The lack of major incidents on our premises is proof of this mutual understanding between our employees and the passengers."

Twice during September the service had to be suspended because of typhoons. No damage was suffered to either the piers or our fleet.

PIERS

The detailed plans for the new piers have been completed and the central reclamation in Hongkong, where the new pier is to be situated, is well advanced. We have been advised by the Hon. Director of Public Works that we shall be able to operate from these new piers probably in two years' time and certainly within two years and six months. Construction will be carried out simultaneously on both sides of the harbour and the piers will be constructed in two stages. When the first half of each pier is completed, i.e., in 1956, we shall change over to the new premises and operate therefrom while the second portions are being built. This intermediate change-over is necessary as the present Kowloon Pier must be demolished before the new Kowloon Pier can be erected. On completion there will be four operational berths at each terminal with ample waiting room space and amenities and queuing should cease as the service will be considerably augmented. I wish to express our appreciation of the most courteous co-operation we have received from the Director of Public Works and his Staff throughout our discussions on the project."

Now that detailed plans of the piers have been finalised we are in a position to plan the construction of our fleet. One new vessel is already on order, similar to the "Electric Star". Further building is to be carried out on a regular programme and in a few years' time we shall have a modern and enlarged fleet capable of meeting all traffic demands.

The existing fleet has been well maintained during the year and we have been free from any mechanical failures, apart from normal minor wear and tear troubles.

ACCOUNTS

You will see in the Profit and Loss Account now in your hands that the Balance of Working Account shows a welcome increase of nearly \$100,000. This is due to a substantial decrease in the cost of fuel which is a major item in our operating expenditure. The Profit and Loss Account is straightforward and while expenditure has also increased by \$20,000, there was a marked drop in the cost of pier repairs but this is still a very costly item. Royalty payable to Government has, of course, increased in relation to the better financial results. The appropriations recommended by your Board are the payment of a final dividend of

\$5.50 per Share. Tax free, absorbing \$440,000 and making the total return for the year \$9.00 per Share, a transfer to Reconstruction Reserve of \$250,000 which, in view of our fleet rebuilding programme, is most essential and the necessary provision of \$160,185.25 for Corporation Profits Tax. I trust that Shareholders will approve of these proposals which are incorporated in the Accounts now presented.

The Balance Sheet shows a sound position. The existing fleet of six vessels now stands at \$2,873,000, a conservative figure. Current Assets total \$2,969,000. At 31st December our share investments had appreciated in value by \$467,000 which is 68% of the original cost. The proposed transfer to Reconstruction Reserve, if approved, will bring that reserve up to \$3,300,000.

The commitments noted on the Balance Sheet are the cost of the new vessel previously mentioned and the cost of installing diesel engines in the launch "Golden Star".

A scheme has been approved by your Board of Directors for the provision of Quarters for Chinese Staff and I am confident that Shareholders will endorse that move as essential for the well-being of the employees, particularly when housing is at a premium in the Colony. It is hoped that this scheme will be implemented during this year.

The financial position of the Company is sound and we are confident that the future prospects are good.

DIVIDENDS APPROVED
A resolution that an interim dividend of \$3.60 per share, free of tax, be confirmed, and that a final dividend of \$5.50 per share, free of tax, be paid, and that the Report and Accounts as presented be adopted was passed by the meeting, on the proposition of Mr. Gordon, seconded by Mr. S. M. Churn.

The appointment of Mr. Gordon, Mr. H. Kadoorie and Mr. B. T. Flanagan on the Board of Directors was confirmed, while the Hon. Sir Man-kam Lo, CBE, and Mr. H. Bonham were re-elected to the Board, on the proposition of Mr. G. B. S. Thompson (Secretary), seconded by Mr. Churn.

Messrs. Peat, Marwick, Mitchell and Company, Chartered Accountants, were re-appointed auditors, on the proposition of Mr. E. Grant Smith, seconded by Mr. J. Kerr.

Fire On Ship In Drydock

A fire of unknown origin broke out about 5 a.m. today in the officers' quarters of the 2,824-ton Norwegian freighter, *As Anne Reed*, at the Talkoo Dock drydocks.

The fire, which lasted about half an hour before it was put out, extensively damaged three cabins. There were no casualties.

Four fire engines and two fire boats were rushed to the scene, and under the supervision of Mr. W. J. Gorman, Chief Fire Officer, quenched the flames before they could seriously spread.

Attempt To Murder Charge

Wai Mui, a 27-year-old butcher of the slaughterhouse at Smithfield Road, Kennedy Town, stood before Mr. Hin-shing Lo at Central this morning charged with attempted murder.

The charge was read and explained to the accused, but no plea was taken. Wai was remanded three days for further investigations.

The accused is alleged to have wounded Leung Yiu at the slaughterhouse on March 3 with the intention of murdering him. Sub-insp. S.S. Chan of C.I.D. Western is in charge of the case.

SIDE GLANCES By Galbraith



"I'm only visiting the doctor every six months now—I always find several new ailments sitting here waiting so long!"

Cross-Examination Of Bank Manager

Mr. Marcel P. Ubaghs, manager of the Banque Belge Pour L'Etranger, was cross-examined by Mr. John McNeill QC, with regard to bills of exchange at this morning's hearing of the \$2,000,000 suit brought by China Mutual Trading Co., 13-27 Ice House Street, against the Bank before Mr. Justice J. Reynolds in the Supreme Court.

Mr. McNeill is leading Counsel for the plaintiffs who are claiming for the return from the Bank of HK\$2,500,171.90, being the balance of margins paid in connection with the importation of certain goods into Hongkong. Plaintiffs claim repayment of this sum with interest, thereon, or alternatively the equivalent in Hongkong dollars of US\$448,504.43, or alternatively damages. The defence is that the margins had, at the request of the plaintiffs, been converted into US dollars and that they were held by the defendants in US dollars in the United States. As a result of the freezing regulations passed in December, 1950, the monies had become blocked and could not be returned.

Mr. McNeill, Mr. Percy Chen and Mr. Brook A. Bernacchi, all instructed by Mr. Y. H. Chan, of Messrs. Lau, Chan and Ko, are appearing for the plaintiffs. The defendants are represented by the Hon. Leo d'Almeida, QC, and Mr. D. A. L. Wright, both instructed by Mr. H. J. Armstrong, of Messrs. Denecons.

EXPLANATION
Mr. Ubaghs agreed with Mr. McNeill that the draft which the Bank expected from the sellers of the goods in dispute was to be drawn upon the plaintiffs who were then known as the drawees, the drawers being the sellers.

When the Bank, through its correspondent, negotiated the bill the seller produced to the bank, the Bank expected the correspondent to produce documents together with the bill of exchange and the documents which the buyer required were those set out in the authority to negotiate, said the witness. He added that the documents formed part of the contract between the buyer and the seller of the goods because the seller, said under certain conditions and if the letter of credit or authority to negotiate did not conform to the conditions of the contract then it would be refused.

Witness agreed, however, that until the seller had been notified of the correspondent's bank of the credit, there was no contract between him and the correspondent bank.

When the correspondent bank negotiated the draft by payment to the seller then the draft was transferred to the defendant Bank who became the holders of the bill, said Mr. Ubaghs.

Mr. Ubaghs agreed that upon the bills of exchange concerned in the claim the only party to whom the Bank could look for payment of the drafts was the plaintiffs firm.

IN CONFORMITY
Mr. Ubaghs also agreed that the bills drawn under the authority were drawn in conformity with the requirements in that document. That document, concerned with steel

POSSESSION OF PROPERTY ACTION

Full Court Upholds Judge's Decision

The expression "annual value" of premises was dealt with by the Full Court this morning when they upheld a decision of Judge James Wicks, given in the Kowloon District Court, that he had no jurisdiction to entertain an action for possession of the business and premises of the Great Shanghai Hairdressing Saloon, 10 Bowring Street, ground floor.

The Full Court, comprising Mr. Justice C. W. Reece and Mr. Justice J. R. Gregg, gave their decision in an appeal brought by a Chinese merchant, stated to be now in South Africa, against the decision of Judge Wicks.

Judge Wicks found that according to an agreement between the plaintiff, Song Lam, alias Song Ling (appellant), merchant, and the defendant, Wong Ki-chi (respondent), the value of the premises was assessed at \$600 a month, therefore its annual value was \$7,200 and as a result the District Court had no jurisdiction to hear the claim.

Mr. Brook A. Bernacchi, instructed by P. C. Woo, was for the appellant, and Mr. R. W. S. Winter, instructed by Ford, Kwan and Co. for the respondent.

The judgment of the Full Court read, in part: "This appeal has come before the Court by way of a case stated by the parties arising out of a decision by Judge Wicks J. in the District Court on a submission that the District Court had no jurisdiction to entertain the action."

The writ which issued out recited inter alia: (1) By an Agreement dated 1st September 1950, the Plaintiff hired to the Defendant the whole of his business, the Great Shanghai Hairdressing Saloon Company together with all the fittings and fixtures thereto appertaining. The Defendant was given a licence to occupy the premises of the business, namely, No. 10 Bowring Street, ground floor, Kowloon. The said Agreement was for a period of three years at a rental of \$800 per month.

(7) The annual value of the said premises is under \$5,000. The plaintiff claimed possession of the premises, fittings and fixtures and ejectment of the defendant. When the action came on for hearing Mr. H. L. Kwan for the defendant objected that the Court had no jurisdiction to entertain it on the grounds that (a) the agreement under which the defendant entered into possession of the premises was a lease and not a licence and that the District Court had no jurisdiction in ejectment, and (b) assuming the document to be a licence, the value of the premises, fittings and fixtures, exceeds the annual value of \$5,000.

JUDGE'S OBSERVATIONS
The learned district judge, in his judgment, after setting out the jurisdiction of the Court by reference to Section 5 of the Supreme Court (Summary Jurisdiction) Ordinance went on to state: "Mr. Bernacchi's argument that in assessing 'rent' such items as tenant's fixtures and fittings and goodwill must be assessed and added is persuasive, but it is soon that the wording is 'annual rent or value thereof' and surely the 'value' of 'possession' includes such items as tenant's fixtures and fittings and goodwill. Mr. Bernacchi concedes that the agreement produced to the Court may be a licence, and it is agreed between the parties that the Plaintiff has possession of the premises, tenant's fixtures and fittings and goodwill, consequently he has possession of the premises, tenant's fixtures and fittings and goodwill, the value whereof has been under the agreement assessed at \$800 a month, that is, in this case the 'annual value' of the 'possession' has been expressly agreed between the parties as being \$10,800 and as a result this Court has no jurisdiction and it is not necessary for me to decide on Mr. Kwan's first argument."

From this judgment two things emerge crystal clear and they are, firstly, that in determining what was meant by the expression "annual value" the district judge came to the conclusion that it meant the value of the possession including fixtures, fittings and goodwill. Secondly, the district judge avoided determining whether the agreement was a lease or licence and thereby escaped the necessity of reaching a decision on the first argument advanced by Mr. Kwan: that the document being a lease the Court had no jurisdiction in ejectment—a remedy to be sought in the Tenancy Tribunal.

We find ourselves in agreement with the district judge

that he had no jurisdiction to entertain the action, but we come to this conclusion on different grounds from those given by the learned judge. In our view the first question to be determined is whether the Agreement entered into between the parties created the relationship of landlord and tenant or that of "licensor" and "licensee" as they are described in the instrument itself.

It is well settled that to constitute a tenancy it is essential that there must be a grant of exclusive possession and that is no lease where the grantor retains possession of the property or premises. Indeed this is the characteristic distinction between a lease and a licence, which is merely a permission to use the property in a particular way without being entitled to exclusive possession. It is quite clear from the authorities that the Court must look to the substance of the agreement rather than the mere words and that exclusive possession by itself is not sufficient to create the relationship of landlord and tenant.

DEFINITE TERM
When we turn to the language of the agreement itself we find that the draftsman has employed terminology commonly found in leases. There is a definite term for the duration of the so-called licence and this very fact would in itself seem to be a denial of intention to create a licence; for a licence is revocable at the will of the licensor, whereas fixing a definite term is a dominant characteristic of a lease and precludes revocation at will.

In spite of the express provision contained in clause 8(d) of the agreement that "nothing herein contained shall be construed as to create any relationship of landlord and tenant between the licensor and licensee" we are of the opinion that, having regard to the substance of the agreement, the true construction of it is a letting of the premises solely for the purpose of carrying on a hairdressing business and that these words are not sufficient to save the agreement from being construed as a lease and not as a licence.

ADMITTED GRANT
In the case before the Court there is an admitted grant of exclusive possession and a restriction of the premises only for the purpose of the business of a hairdressing saloon. There are no circumstances that we can find, which negative the prima facie presumption to create a tenancy contained in the grant of exclusive possession. We are satisfied that the real intention of the parties was to create a lease of the premises for the purpose of carrying on the business of a hairdressing saloon and that the grantee was to have the use of the fixtures and fittings and goodwill included in the premises, the renting of the premises, in the words of Lord Justice Somervell in *Fachini's case* above, the parties cannot turn the agreement into a licence by saying at the end "nothing herein contained shall be construed to create any relationship of landlord and tenant between the licensor and the licensee."

Having come to the conclusion that the instrument is to be taken as a lease it remains, however, to determine whether the annual rent or value of the tenement does not exceed the sum of five thousand dollars, so as to fall outside the jurisdiction of the Court, for we are satisfied that the District Court has otherwise got the jurisdiction to entertain an action for ejectment.

NOT THE RENT
Mr. Bernacchi for the appellant argued that the "annual value" meant nothing more than annual rent, and stated that the only rent for the premises before the Court for \$800 paid by plaintiff to the superior landlord. We have no quarrel

Love-Sick Girl Swindled

A love-sick young woman who confided in a fortune-teller and led her to believe that her wayward boyfriend was swindled of \$80 for 5,000 prayers which he purported to have said for her at \$18 a 1,000 prayers. The extra money she paid was used by the enterprising Bohemian for the purchase of joss sticks and joss paper, or so he said.

The fortune-teller, Li Ching 40, who ran a little stall at Mei Lun Street near Hollywood Road, pleaded guilty to a charge of larceny by trick and three counts of unlawful pawnbroking before Mr. Hin-shing Lo at Central this morning.

"I planned to make restitution," said Li when asked if he had anything to say in mitigation, "but I was swindled of my money in the Police Station."

PRISON SENTENCE
As his victim looked on, Li was sentenced to six months' hard labour by the magistrate.

The first charge against Li alleged that he had on February 10 stolen \$80 from the complainant, Kong Kei-kuen, at his fortune-telling stall.

Within the next three days he unlawfully pawned a gold ring, a metal watch, a winter jacket and a gold bracelet which complainant had given him in lieu of money.

The fortune-teller had spiced his prayers and swindling with a deal of intrigue. On his first meeting with the girl, he charged her \$1 for his services and led her to believe that he could bring about the renewed affection of her boyfriend and many "happy days."

In the process he made complainant his adopted sister. It was on March 3 that an unknown Chinese told complainant she was being swindled. Thereupon she made a report to Central Police Station, which led to Li's eventual arrest.

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